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TITLE 10—ARMY

Subtitle A—Organization, Functions and Procedures of the Department of the Army

PART 3—ORGANIZATION AND PROCEDURES OF CIVIL AFFAIRS DIVISION

MILITARY GOVERNMENT FOR GERMANY; UNITED STATES ZONE

Part 3, Subtitle A, Title 10, Code of Federal Regulations, appearing at 11 F. R. 177A-800 and 12 F. R. 2189, is amended in the following respects:

1. Add § 3.3a as follows:

§ 3.3a Proclamations: United States Area of Control—(a) Proclamation No. 1.

To the People of Germany:

I, General Dwight D. Eisenhower, Commanding General, United States Armed Forces in Europe, do hereby proclaim as follows:

Article I. As announced on 5 June 1945, supreme authority with respect to Germany has been assumed by the Governments of the United States, The United Kingdom, the Union of Socialist Soviet Republics, and the Provisional Government of the French Republic.

Article II. The United States Zone of Occupation is occupied by United States Forces under my command and a Military Government under my authority is established therein. All persons in such Government Zone will obey immediately and without question all of the enactments and orders continued in effect or issued by me or under my authority.

Article III. All Military Government and other orders (including proclamations, laws, ordinances, notices, regulations and directions) issued by or under the authority of the Supreme Commander, Allied Expeditionary Force, are continued in full force and effect in the United States Zone of Occupation except as specifically revoked or modified by me or under my authority. In applying such orders now outstanding within this Zone, all references to Supreme Commander, to Allied Expeditionary Force, and to Allied Military Authorities shall be construed as referring from this date forward to the Commanding General, United States Armed Forces in Europe, to the Armed Forces of the United States in Germany, and to the United States Military Authorities in Germany, respectively.

Article IV. All appointments heretofore made and all authorizations heretofore issued by order of Military Government or otherwise under the authority of the Supreme Commander, Allied Expeditionary Force, continue

to be in full force and effect according to their terms until revoked or modified by me or under my authority.

Dated: 14 July 1945.

Dwight D. Eisenhower,
General of the Army, Commanding
General of the United States
Armed Forces in Europe.

(b) Proclamation No. 2.

To the German people in the United States Zone:

I, General Dwight D. Eisenhower, Commanding General, United States Forces, European Theater, do hereby proclaim as follows:

Article I. There are hereby constituted within the United States Zone of Occupation the following administrative areas which will henceforth be referred to as states and each of which will have a state government:

Greater Hessen; comprising Kurhessen and Nassau (excepting enclaves thereof and the Kreise Oberwesterwald, Unterwesterwald, Unterlahn and Sankt Goarhausen) and Hessen-Starkenburg, Oberhessen, and the part of Rheinhesen east of the Rhine;

Wurtemberg-Baden; comprising the Kreise Aalen, Backnang, Böblingen, Crailsheim, Esslingen, Gmünd, Goppingen, Hall, Heidenheim, Heilbronn, Künigsau, Leonberg, Ludwigsburg, Mergentheim, Nürtingen, Muenzingen, north of the Autobahn, Oehringen, Stuttgart, Ulm, Vaihingen, Waiblingen, the Landeskommisarbezirk Mannheim, and the Kreise Bruchsal, Karlsruhe Stadt and Land, and Pforzheim Stadt and Land;

Bavaria; comprising all of Bavaria as constituted in 1933, less Kreis Lindau.

Article II. Except as heretofore abrogated, suspended or modified by Military Government or by the Control Council for Germany, the German law in force at the time of the occupation shall be applicable in each area of the United States Zone of Occupation, until repealed by, or superseded by a new law enacted by the Control Council for Germany, or by Military Government or the states hereby constituted or by other competent authority.

Article III. (1) Subject to the authority of Military Government, each of the states hereby constituted shall have full legislative, judicial and executive powers except as the exercise thereof would be in conflict with action heretofore or hereafter taken by the Control Council for Germany or by any central German authority established by it.

(2) Until such time as it is possible to establish democratic institutions, it will be sufficient for the validity of state legislation

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that it be approved and promulgated by the Minister President.

Article IV The authority is hereby recognized of Regierungspräsidenten, Landräte, mayors and other local officials to enact legislation and exercise other governmental powers to the same extent to which they had such authority under German law in force at the time of the occupation, as from time to time modified by the Control Council for Germany or by or with the approval of the Military Government. They shall have, in addition, all authority necessary or appropriate to carry out the tasks with the performance of which they are charged by Military Government.

DWIGHT D. EISENHOWER,
General of the Army, U. S. A., Commanding General, United States Forces, European Theater.

Dated: September 19, 1945.

(c) *Proclamation No. 3.*

To the German people in the United States Area of Control, including the Bremen Enclave:

Whereas an agreement has been reached between the United States and British Military Governments of Germany whereby the areas embraced on 8 May 1945 by Stadt

Bremen, Land-Gebiet Bremen and Stadtkreis Wesermünde, including Bremerhaven, will for purposes of military government be under the exclusive control of the Commanding General, United States Forces, European Theater, and Military Governor for Germany (U. S.).

Now, therefore, I, General Joseph T. McNarney, Commanding General, United States Forces, European Theater, and Military Governor for Germany (U. S.), do hereby proclaim as follows:

Article I. There is hereby constituted the following administrative area, which will henceforth be referred to as a State and which will have a State Government:

Bremen; comprising the Stadt Bremen, Land Gebiet Bremen, and Stadtkreis Wesermünde, including Bremerhaven.

Article II. All United States Military Government legislation as published in the Military Government Gazette, Germany, United States Zone, or as heretofore or hereinafter enacted by Office of Military Government for Germany (U. S.) or by Office of Military Government for Bremen (U. S.) is hereby declared effective in and for the new State of Bremen, and all existing British Military Government enactments therein are hereby repealed; provided, however, that criminal offenses committed under British Military Government legislation prior to the date hereof shall continue to be punishable under such legislation, and that rights and liabilities that have accrued under British Military Government legislation shall be continued in force and effect.

Article III. Subject to the authority of Military Government and pending the adoption of a new constitution for the State of Bremen, the existing German government of the Stadt Bremen is hereby recognized as the State Government for the State of Bremen as defined in Article I.

JOSEPH T. McNARNEY,
General, U. S. Army, Commanding
General, United States Forces,
European Theater, and Military
Governor for Germany (U. S.).

Dated: 21 January 1947.

(d) Proclamation No. 4.

To the German people in the United States Area of Control:

Whereas, in view of the adoption of democratic constitutions by the three States of Greater Hessen, now known as Hesse, Württemberg-Baden and Bavaria, and in contemplation of similar action by the State of Bremen, it becomes advisable to clarify the application of Military Government Proclamation No. 2 (see par. (b) of this section) by redefining and substantially limiting the broad powers reserved to Military Government and to the Ministers President acting under the authority of Military Government set out in such Proclamation.

Now, therefore, I, General Joseph T. McNarney, Commanding General, United States Forces European Theater, and Military Governor for Germany (U. S.), do hereby proclaim as follows:

Article I. Full legislative, executive and judicial power exists in the respective States of Hesse, Württemberg-Baden and Bavaria in accordance with their constitutions, subject only to the following reservations stated by the Deputy Military Governor in the respective letters approving the constitutions:

- (1) International agreements to which the United States is a party,
- (2) Quadripartite legislation,
- (3) Powers reserved to Military Government in order to effectuate basic policies of the occupation.

Article II. In the fields reserved to Military Government, as set forth in Article I hereof, and only with respect to such fields, the authority of Military Government and of the Ministers President thereunder continues in force as provided in Military Government

Proclamation No. 2. (See par. (b) of this section.)

Article III. Legislation in the fields reserved to Military Government which is approved and promulgated by the Ministers President pursuant to Article II hereof shall require the approval of Military Government in advance of its promulgation in accordance with Article III of Military Government Proclamation No. 2. (See par. (b) of this section.)

Article IV. This proclamation shall become effective as to the State of Bremen upon its adoption of a constitution, subject to the reservations which may be stated by Military Government in approving any such constitution.

JOSEPH T. McNARNEY,
General, U. S. Army, Commanding
General, United States Forces,
European Theater, and Military
Governor for Germany (U. S.)

Dated: 1 March 1947.

2. Add §§ 3.8 to 3.10, inclusive, as set forth below:

§ 3.8 Ordinance No. 10; Illegal possession of United States Military Payment Certificates—(a) Article I. All persons in the United States Zone and Land Bremen, except those mentioned in paragraph (c) of this section, are prohibited from accepting, acquiring, holding, possessing, purchasing, selling, or exchanging United States military payment certificates or engaging in any transaction involving such certificates.

(b) Article II. A United States military payment certificate is defined as an instrument, denominated in United States dollars or fractions thereof, which is the official medium of exchange in all United States military establishments in the United States Zone and Land Bremen.

(c) Article III. The provisions of this section shall not apply to the following persons:

- (1) Members of the United States military and naval forces.
- (2) Dependents of subparagraph (1) above.
- (3) Civilians who are United States citizens and are employed under contract by the United States Department of the Army or other United States governmental department or agency.
- (4) Dependents of subparagraph (3) above.
- (5) United States citizens who are present in the United States Zone of Germany or Land Bremen with the specific authorization of the United States Department of the Army or the Theater Commander.
- (6) Commercial companies officially licensed by the United States Government to engage in transactions now requiring the use of military payment certificates.

(7) Any persons who are authorized by competent authority to possess military payment certificates or to purchase from or otherwise patronize United States military or naval messes, exchanges, stores, commissaries and/or other United States Army or Navy facilities as evidenced by the issuance or possession of appropriate mess cards or permits or ration certificates, or by reason of enabling United States directives.

(d) Article IV. Nothing herein shall be construed to prohibit persons otherwise subject to the prohibitions of this ordinance from handling military payment

certificates in the course of their official duties as employees of persons or establishments if such persons or establishments are authorized to possess and use such certificates.

(e) Article V. For the purposes of this section "person" shall mean any natural or juristic person.

(f) Article VI. Any person upon conviction of a violation of any of the provisions hereof shall be liable to any punishment which a court may impose except death.

(g) Article VII. This section becomes effective on January 22, 1947.

§ 3.9 Ordinance No. 12; Illegal possession of British Armed Forces' Special Vouchers (BAFSV)—(a) Article I. All persons in the Laender of Hesse, Württemberg-Baden, Bavaria, and Bremen, except those mentioned in Article III hereof, are prohibited from acquiring, disposing of or having in their possession any sterling vouchers, known as British Armed Forces' Special Vouchers (BAFSV).

(b) Article II. A British Armed Forces' Special Voucher (BAFSV) is defined as an instrument enabling the lawful bearer thereof to make authorized purchases in British official or officially sponsored canteens, clubs, messes, shops or other institutions or to gain admittance to theaters, cinemas or other places of entertainment under British official or officially sponsored control.

(c) Article III. The provisions of this section shall not apply to the following persons:

(1) Any member of the Armed Forces of the Occupying Powers or any civilian in the employ of one of those powers:

- (i) Who is entitled to make purchases in or to gain admittance to, the institutions and places of entertainment described in paragraph (b) of this section;
- (ii) Who is required to handle and be in possession of British Armed Forces' Special Vouchers in the course of his official duties;

(2) Any civilian who has been authorized to travel in the British Zone of Occupation and has received such vouchers from an official source for any or all of the purposes specified in paragraph (b) of this section;

(3) Service or civilian personnel:

(i) Of any Government or mission accredited to the Control Council for Germany, or

(ii) Of any association or institution sponsored by the Control Commission for Germany (British Element), any of the Occupying Powers, Headquarters British Army of the Rhine or any other British authority, and authorized to make purchases in or to gain admittance to the institutions and places of entertainment described in paragraph (b) of this section.

(4) Any other person who may from time to time be authorized by U. S. or British Military Government to acquire, dispose of, or have such vouchers in his or her possession.

(d) Article IV. For the purposes of this section "person" shall mean any natural or juristic person.

(e) Article V. Any person upon conviction of a violation of any of the provisions hereof shall be liable to any pun-

ishment which a court may impose except death.

(f) *Article VI.* This section becomes effective April 1, 1947.

§ 3.10 *Ordinance No. 13; regulation of sale, transfer and registration of motor vehicles*—(a) *Article I.* Unless licensed or otherwise authorized by Military Government, the following transactions in motor vehicles, either directly or through agents or intermediaries, are prohibited within the United States Area of Control in Germany:

(1) Transactions between domestic interests and foreign interests, as hereinafter defined;

(2) Transactions between one foreign interest and any other foreign interest involving a motor vehicle formerly owned by a domestic interest, excepting however, motor vehicles which have been duly procured through procurement channels authorized by the United States Army Exchange Service, or which are properly authorized as exports by Military Government or which now are or hereafter shall be properly registered under the Vehicle and Traffic Code of the European Command, United States Army.

(b) *Article II.* In addition to the prohibitions contained in paragraph (a) unless licensed or otherwise authorized by Military Government.

(1) No United States citizen within the United States Area of Control in Germany shall, directly or indirectly, engage in any transaction with respect to any motor vehicle with any person who is not a United States citizen or with any foreign corporation whose principal place of business is not in the United States of America.

(2) No foreign interest shall, directly or indirectly, engage in any transaction with respect to any motor vehicle imported into or acquired within the United States Area of Control within six months from the date of such importation or acquisition.

(c) *Article III.* No motor vehicle formerly owned by a domestic interest shall be registered and licensed by German authorities in the name of any foreign interest without the written approval of Military Government of the transaction whereby such motor vehicle was acquired.

(d) *Article IV* (1) Any person, excepting persons subject to United States military law, violating, evading, attempting to violate or evade or aiding or participating in the violation or evasion of any of the provisions of this section shall be tried in the appropriate Military Government Court pursuant to § 3.11 (f) and upon conviction, shall be punished by imprisonment, with or without hard labor, not exceeding one year, with or without a fine not exceeding RM 100,000, and also forfeiture of the motor vehicle or vehicles involved in the prohibited transaction.

(2) Juristic persons shall be tried as provided in subparagraph (1) of this paragraph and, upon conviction, shall be subject to the fine and forfeiture penalties set forth in subparagraph (1) above and the officers, agents, employees or

representatives of such juristic persons shall be subject to all of the penalties therein set forth.

(3) In the discretion of the Court, the fine prescribed in subparagraph (1) of this paragraph may be imposed in the alternate in United States dollars at the conversion rate of thirty cents per Reichsmark or at such other rate as may hereinafter be fixed by Military Government.

(e) *Article V* As used in this section:

(1) "Transaction" shall include any purchase, sale, transfer, lease, barter, pledge or other disposition.

(2) "Motor vehicle" shall include any vehicle subject to registration under the Vehicle and Traffic Code of the European Command, United States Army, or under the Gesetz über den Verkehr mit Kraftfahrzeugen of May 3, 1909 (RGBI. I, p. 437) as amended.

(3) "Domestic interest" shall include all German natural or juristic persons existing under public or private law, including corporations, associations, partnerships and German governmental agencies, also foreign nationals, displaced persons and all persons assimilated to them in status, who have been within the United States Area of Control in Germany for more than one year and who are living in the German economy.

(4) "Foreign interest" shall include all other natural or juristic persons, including foreign governments and corporations organized under the laws of a foreign country, although licensed to do business in Germany, excepting persons subject to United States Military law.

(5) For the purposes of subparagraphs (3) and (4) a corporation organized under the laws of Germany, 48% or more of whose voting stock is held by one or more foreign interests, as herein defined, shall be deemed a "foreign interest."

(6) "A United States Area of Control" shall include the Laender of Bavaria, Hesse, Württemberg-Baden and Bremen and the United States Sector of the Greater Berlin Area.

(f) *Article VI.* Military Government Notice entitled "Sale of Used Automobiles" effective March 31, 1937, is rescinded on the effective date of this section. This section is applicable and shall become effective within the United States Area of Control on May 5, 1947.

3. In § 3.11 (e) add subparagraph (3) as follows:

§ 3.11 *German courts; Law No. 2.* * * *

(e) *Article V qualifications.* * * *

(3) Any person who is required to take an oath by any Military Government law or German law heretofore enacted or to be enacted hereafter may, in lieu thereof, make an affirmation. Any person who shall make a false affirmation shall be punished as for the making of a false oath under German law. This subparagraph becomes effective May 20, 1947.

4. Add § 3.12a as follows:

§ 3.12a *General Authorizations No. 1 issued pursuant to § 3.12*—(a) *Article 1.* General authorization under § 3.12 (e)

(2) is herewith granted for entries upon the appropriate public registers recording the opening, establishment, or creation of a new firm by a single owner, or by a partnership, limited partnership, joint stock company, limited liability or other corporation, shipowner's association, cooperative, association of cooperatives, trade association, or other association or organization of any kind, provided that the opening, establishment, or creation of any such organization, mentioned above, has been permitted by the Minister President of the Land.

(b) *Article 2.* Nothing contained herein shall be construed as conferring upon the Minister President any powers, not otherwise held by him, to permit the opening, establishment, or creation of any organization mentioned in paragraph (a) of this section.

5. Add § 3.13a as follows:

§ 3.13a *Regulation No. 3 issued under § 3.11.* Under § 3.11 (f) (iii), German courts are hereby authorized to exercise jurisdiction in cases involving offenses against Control Council Law No. 50 "Punishment for the Theft and Unlawful Use of Rationed Foodstuffs, Goods and Rationing Documents" by persons not exempted from the jurisdiction of the German courts under § 3.11 (f) (1) (i).

This section becomes effective April 7, 1947.

6. Amend § 3.20 (a) (5) to read as follows:

§ 3.20 *Supplement No. 2 to § 3.16 pursuant to § 3.15 (a)* * * *

(5) All persons any part of whose property is blocked by decision of the Tribunal.

7. So much of the text, immediately following the headnote of § 3.25, is amended to read as follows:

§ 3.25 *General License No. 5 issued pursuant to § 3.15.* A general license is hereby granted permitting any institution within Germany dedicated to public worship, charity, education, the arts and sciences, other than institutions of this nature which are engaged in research work, to engage in all transactions ordinarily incidental to its normal activities but otherwise prohibited by § 3.15, *Provided, That:*

8. Add § 3.28 as follows:

§ 3.28 *General License No. 8 issued pursuant to § 3.15.* (a) A general license is hereby granted permitting any financial institution to debit on its books the account of any individual, partnership or private corporation blocked under § 3.15, with the exception of accounts blocked under § 3.15 (a) (vi) in an amount equal to the interest due and payable in accordance with the terms of any loan granted to the owner of such account by such financial institution prior to the first promulgation of § 3.15.

(b) This general license shall not be deemed to authorize any transaction prohibited by § 3.40 and Military Government Law No. 53.

(c) This section shall be effective on the date of its approval.

9. Add §§ 3.31 and 3.32 as follows:

§ 3.31 *Prohibition of excessive concentration of German economic power.* Law No. 56. This section setting forth Law No. 56, is enacted, in accordance with paragraph 12 of the Potsdam Agreement, in order: to prevent Germany from endangering the safety of her neighbors and again constituting a threat to international peace; to destroy Germany's economic potential to wage war; to insure that measures taken for Germany's reconstruction are consistent with peaceful and democratic purposes; to lay the groundwork for building a healthy and democratic German economy.

To this end it is desirable that the German economy be reorganized and that concentrations of economic power as exemplified, in particular, by cartels, syndicates, trusts, combines, and other types of monopolistic or restrictive arrangements which could be used by Germany as instruments of political or economic aggression, be eliminated at the earliest practicable date. It is likewise desirable to prevent Germany from using international cartels and similar international arrangements in the same manner. It is therefore ordered as follows:

(a) *Article I, prohibition of restrictive and monopolistic enterprises and practices.* (1) Excessive concentrations of German economic power, whether within or without Germany and whatever their form or character, insofar as such concentrations or any part or activity thereof are subject to the jurisdiction of Military Government, are prohibited, their activities are declared illegal and they shall be eliminated, except as hereinafter provided in paragraph (c) of this section.

(2) Cartels, combines, syndicates, trusts, associations or any other form of understanding or concerted undertaking between persons, which have the purpose or effect of restraining, or of fostering monopolistic control of, domestic or international trade or other economic activity, or of restricting access to domestic or international markets are hereby declared to be excessive concentrations of economic power within the purview of this section.

(3) All economic enterprises having their headquarters located in the United States Zone (or Land Bremen) and employing, in Germany on the effective date of this law, or thereafter, directly or indirectly, more than 10,000 persons shall be examined as prima facie constituting excessive concentrations of economic power, and shall be dealt with in accordance with the provisions of this section if Military Government or its designated agency determines that these enterprises do, in fact, constitute excessive concentrations of economic power. *Provided, however* That when such economic enterprises are located entirely within the United States Zone (or Land Bremen) on the effective date of this section, or thereafter, they shall be dealt with in accordance with the provisions of this section as excessive concentrations of economic power unless their continuance is approved by Military Government.

(4) It shall be the duty of such agency as Military Government shall designate for the purpose, to determine the gen-

eral or special circumstances under which any enterprise or activity, not included within the definitions set out in subparagraphs (2) and (3) above, but whose character or activities are deemed objectionable, shall be considered to constitute an excessive concentration of economic power. In making such determination, consideration shall be given to the following factors:

(i) The percentage of the total German production or other economic activity in the field in which the enterprise operates which is produced or controlled by such enterprise;

(ii) The asset value of the enterprise and its annual volume of business;

(iii) The number of persons directly or indirectly employed by the enterprise;

(iv) The character of the production and the nature of the activity of the enterprise;

(v) The nature and extent of the participation of the enterprise in any contract, agreement, combination, practice, or other arrangement or relationship of a restrictive or monopolistic character, such as is referred to in subparagraph (2) of this paragraph, or which tends to create special privileges in the purchase or sale of materials, to restrict production or distribution, to fix prices, or to allocate business or sales territories, or which provides for the exclusive exchange of patents or technical information;

(vi) Any grouping of enterprises or activities of similar or dissimilar character or covering distinct stages of production.

(b) *Article II, prohibition of German participation in international cartels.* Participation, directly or indirectly by any German person within the jurisdiction of Military Government in any cartel, combination, enterprise, activity or relationship which has the purpose or the effect of restraining international trade or other economic activity is hereby declared illegal and is prohibited. This provision shall not be construed, however, to prohibit ordinary agency agreements and transactions of purchase and sale which do not have this purpose or effect.

(c) *Article III, exemptions.* (1) The agency designated by Military Government to enforce Law No. 56, as set forth in this section, will consider, and in approved cases, grant exemptions in respect to any agreement, arrangement, act or purpose otherwise prohibited by this section, if it is considered that the character or activities of the enterprise under review;

(i) Are not repugnant to the purposes of this section or

(ii) Are required to further the declared objectives of Military Government.

(d) *Article IV, powers and duties of the implementing agency.* (1) The agency designated by Military Government to enforce Law No. 56, as set forth in this section, will take such action in regard to the elimination of enterprises or activities prohibited by this Law No. 56, as it finds appropriate to accomplish the purposes thereof, including the elimination of corporate entities, the redis-

tribution and removal of property, investments and other assets and the cancellation of obligations of cartels, syndicates, trusts, combines or other organizations of a monopolistic or restrictive character; and shall to the extent appropriate to carry out the purposes of this section have the power to:

(i) Issue and enforce such rules, regulations, orders, directives, and definitions as it may deem appropriate;

(ii) Determine the principles, plans and procedure for the elimination of prohibited enterprises;

(iii) Consider reports and proposed plans for elimination of enterprises and activities prohibited by this section and for the establishment of deconcentrated or reorganized production units;

(iv) Investigate, collect and compile information concerning the properties, products, ownership, management, control, organization, business and business conduct of any person or enterprise and its relation to other persons or enterprises wherever situated;

(v) Require the compilation and submission of information, and the keeping of records; seize or require the production of records, books of account, contracts, agreements, correspondence, or papers; require the attendance and testimony of witnesses under oath and the production of evidence;

(vi) Seize, hold or require the conveyance of property; direct the termination or dissolution of any contract, enterprise, arrangement or relationship; and take such other measures as it may deem appropriate and consistent with the provisions of this section;

(vii) Require enterprises subject to the prohibitions of paragraph (a) of this section, to submit plans for the disposal of assets or other appropriate action for the purpose of compliance with this law; approve such plans; and prohibit unauthorized transfers of property by such enterprises prior to such approval.

(2) The agency referred to in subparagraph (1) above may delegate to appropriate German governmental agencies such powers, and may issue such directives with respect thereto, as it may deem necessary for the enforcement and application of this law No. 56.

(e) *Article V, definitions as used in this section.* (1) The term "person" shall mean any natural or juristic person existing under public or private law, including associations, corporations, partnerships or governmental agencies;

(2) The terms "enterprise" "activity" and "relationship" shall mean every kind of economic, business or financial instrumentality, activity or person, whether in the form of a cartel, trust, combine, stock company, syndicate, concern, aggregate of firms or bodies, or otherwise and whether related by agreement, combination, association or understanding;

(3) The expression "cartels, combines, syndicates, trusts, associations or any other form of understanding or concerted undertaking between persons, which have the purpose or effect of restraining or fostering monopolistic control of, domestic or international trade or other economic activity, or restricting access to domestic or international markets" shall include the following:

(i) The fixing of prices or the terms or conditions in the purchase or sale of any product or thing;

(ii) The exclusion of any person from any territorial market or field of business activity, the allocation of customers, or the fixing of sales or purchase quotas, except insofar as such arrangements are not designed to reduce competition and are merely bona fide marketing arrangements between a particular enterprise and its distributing agents with respect to its own products;

(iii) The allocation of distributors or the allocation of products among customers;

(iv) The boycott of, or discrimination against, any manufacturer, distributor, consumer, or other person for the purpose of eliminating or preventing competition;

(v) The limitation of production or the fixing of production quotas;

(vi) The suppression of technology or invention, whether patented or unpatented;

(vii) The devising of any arrangement, in connection with the exploitation of patents or other similar exclusive privileges, so as to extend the monopoly or privilege to matters not contained in the authorized grant.

(4) The terms "ownership" and "control" shall include every kind of economic, business, or financial relationship which has the effect of establishing common or concerted action among two or more business units, whether in the form of majority or minority stock participations, direct or indirect power to vote shares, ownership of certificates or other evidences of indebtedness carrying management privileges, personal relationships such as common offices or directorships, contractual arrangements or agreements, or any other relationship having the like effect.

(5) The terms "subject to the jurisdiction of Military Government" and "U. S. Zone" shall include, in addition to the U. S. Zone of Germany, Land Bremen.

(f) *Article VI, conflicting laws repealed.* Law No. 56 as set forth herein and all regulations, orders and directives issued under it, shall be deemed to repeal, alter, amend or supersede all provisions of German law inconsistent therewith.

(g) *Article VII, penalties.* (1) Any judicial proceedings under Law No. 56 shall be taken before either German courts or Military Government courts as Military Government shall decide.

(2) Any person violating, or evading, or attempting to violate or evade, or procuring the violation of any provision of this section or of any regulation, order or directive issued thereunder shall upon conviction, be liable to a fine of not more than RM 200,000 or to imprisonment for not more than ten (10) years, or both.

(h) *Article VIII, effective date.* (1) This section shall become effective on February 12, 1947, *Provided, however,* That for a period of six months thereafter, the continuation of acts or condition prohibited under paragraph (a) (3) of this section shall not subject the violator to criminal prosecution. If it appears to the satisfaction of the agency designated by Military Government that,

in the case of a particular enterprise, a longer period is required to effect compliance with this section, said period of six months may be extended as may be necessary.

§ 3.32 *Regulation No. 1 under Law No. 56—(a) Purpose of this section.* The regulation set forth in this section is issued under and in amplification of § 3.31, and shall become effective on February 12, 1947. It has the purpose of:

(1) Defining the procedure to be adopted by enterprises affected by § 3.31 (hereinafter called "subject" enterprises)

(2) Defining the procedure which shall govern applications for exemptions from the operation of particular sections of Law No. 56, and requests for interpretation;

(3) Defining the rights of subject enterprises to appeal.

(b) *Exemptions.* (1) Exemption is hereby granted to the Reichsbahn, the Reichspost, and to public utilities in the U. S. Zone, except that Military Government or its designated agency may require them to submit reports and any other relevant information.

(2) Exemption is also granted to enterprises which are taken into control by Military Government, except that Military Government or its designated agency may call upon the controlling authorities to submit reports and any other relevant information. At the effective date of this section these enterprises comprise I. G. Farbenindustrie—taken into control under § 3.17—General Order No. 2 pursuant to § 3.15.

(c) *Application of this section.* (1) This section applies to every German economic enterprise falling within the scope of paragraphs (a) and (b) of § 3.31, and subject to the jurisdiction of United States Military Government.

(2) In every case the size and character of the whole enterprise, whether totally within the jurisdiction of United States Military Government or not, will be considered in determining the standing of the enterprise in relation to § 3.31.

(d) *Persons responsible for compliance with this section.* Owners, officers, directors and trustees of subject enterprises shall be responsible for compliance with this section. If such owners, officers and directors are outside the jurisdiction of the United States Military Government, the German managers and individuals exercising supervision of the property of the subject enterprise which is located in the U. S. Zone shall be responsible for such compliance.

(e) *Procedure to be followed by subject enterprises.* (1) Every subject enterprise shall submit, on or before June 1, 1947, reports (six copies in German and four copies in English) to the Chief of the German Decartelization Agency in the Land wherein the subject enterprise has its headquarters, or if such headquarters are located outside the United States Zone or Land Bremen, to the Chief of the German Decartelization Agency in the Land in the U. S. Zone in which the subject enterprise has the greatest amount of assets, setting out the following information:

(i) A list of all properties and assets, both tangible and intangible, which the reporting enterprise owned or controlled at the effective date of § 3.31,

(ii) A statement showing all cartels, agreements and practices prohibited by § 3.31, in which the subject enterprise has been a participant since January 1, 1938;

(iii) A statement of the names, addresses and holdings of all stockholders of record, including a statement of all beneficial owners known;

(iv) A copy of the most recent balance sheet, copy of income and profit and loss statements for the latest twelve-month period in respect of which such statements are available;

(v) A statement of the highest number of persons employed by the enterprise at any time during the calendar year preceding the date of its report.

(vi) In case the reporting company is in any doubt as to the nature of the information required by this paragraph, a questionnaire (MC/DEC/2/F (1)) is available from the Laender German Decartelization Agencies, which, if filled out in its entirety, will be accepted as complete compliance with the provisions of paragraph (e) (1) of this section.

(2) Every enterprise which shall hereafter become subject to § 3.31, either by increase in size or by the nature of its relationship or activities, shall, immediately upon such development, comply with the provisions of this section.

(3) Where there is doubt as to whether an enterprise is subject to § 3.31, the report will be completed and returned with a memorandum requesting a ruling on any doubtful points.

(4) Where an enterprise falls within the scope of paragraph (a) or (b) of § 3.31, but it is contended that exemption from the operation of a particular section of the law should be granted, the report will be completed and submitted with a memorandum requesting exemption and setting out the grounds therefor.

(5) The designated agency of Military Government may, in pursuance of paragraph (a) (4) of § 3.31, require any German firm within its jurisdiction whose activities appear objectionable, regardless of its size and character, to render a report within a stated period.

(f) *Enforcement provisions.* (1) The designated agency of Military Government will scrutinize all reports received and will notify each enterprise, according to its findings as to those steps which the enterprise must take to comply with the provisions of this section and Military Government Law No. 56 as set forth in § 3.31.

(i) Comes within the scope and must comply with § 3.31, or

(ii) Is exempted from the operation of this law.

(2) Subject enterprises which receive orders to decentralize or otherwise comply with § 3.31 shall, within three (3) calendar months of the issuance of such orders, prepare and submit a plan for dispersing their assets or otherwise complying with the law, and on approval or amendment of this plan by the designated agency of Military Government

shall proceed to carry it out within the prescribed time limit.

(g) *Approval of proposed sales.* No enterprise which comes within the purview of paragraph (a) (3) of § 3.31 shall subsequent to the effective date of § 3.31, dispose of any of its capital assets by sale or otherwise without the express written approval of Military Government or its designated agency.

(h) *Hearings and appeals.* (1) All evidence relied upon by the subject enterprise in support of its claim to exemption must be submitted to the agency designated by Military Government for the purpose of determining whether the enterprise comes within the scope of § 3.31, or whether it is to be exempted from the operation of Law No. 56 (§ 3.31). Oral argument before such agency will be permitted only when it is established that the enterprise cannot adequately present its case in writing. A request therefor must be filed when the claim for exemption is submitted in writing. Presentation of new or additional evidence will not be permitted at the hearing of such oral argument. The decision of such agency shall be in writing and a copy thereof shall be transmitted promptly to the subject enterprise.

(2) An appeal to such body as shall be designated by Military Government may be taken by the aggrieved person from the decision of the agency within fourteen (14) days after the receipt of a copy thereof. If the appeal is found by the appellate body to have been taken without good cause and solely for purposes of delay, it shall be dismissed forthwith and the appellant shall thereupon become liable to the penalties prescribed in § 3.31.

(i) *Penalties.* Failure to comply with the provisions of this section or of any order or directive issued thereunder or any wilful falsification of information required to be submitted thereby shall be punishable under § 3.31 (g)

10. Add §§ 3.40 and 3.41 as follows:

§ 3.40 *Foreign exchange control; Law No. 53—(a) Article I, prohibited transactions.* (1) Except as duly licensed by or on instructions of Military Government, any transaction involving or with respect to any of the following is prohibited:

(i) Any foreign exchange assets owned or controlled directly or indirectly, in whole or in part, by any person in Germany.

(ii) Any property located in Germany owned or controlled directly or indirectly, in whole or in part, by any person outside Germany.

(2) Any transaction with respect to or involving any of the following is also prohibited, except as duly licensed by or on instructions of Military Government:

(i) Property wherever situated if the transaction is between or involves any person in Germany and any person outside Germany.

(ii) Any obligation of payment or performance, whether matured or not, due or owing to any person outside Germany by any person in Germany;

(iii) The importing or otherwise bringing into Germany of any foreign exchange assets, German currency, or

securities issued by persons in Germany and expressed or payable in German currency.

(iv) The exporting, remitting, or other removal of any property from Germany;

(v) All existing licences and exemptions issued by any German Authority authorizing any of the aforesaid transactions are cancelled.

(b) *Article II; declaration of property and obligations.* (1) Within thirty (30) days of the effective date of this section unless otherwise ordered, any person owning or controlling directly or indirectly, in whole or in part, any foreign exchange asset, or owing any obligation of payment or performance, whether matured or not, to a person outside Germany, shall file with the nearest branch of the Reichsbank, or other institution designated by Military Government, a written declaration of such asset or obligation in such form and manner as will be prescribed by Military Government.

(2) When and as directed by Military Government, any person affected by this section shall file such other reports as may be required.

(c) *Article III; delivery of property.* (1) Within fifteen (15) days of the effective date of this section all of the following classes of property shall be delivered, against receipt therefor, by the owner, holder or other person in possession, custody or control thereof, to the nearest branch of the Reichsbank, or as otherwise directed:

(i) Currency other than German currency;

(ii) Checks, drafts, bills of exchange and other instruments of payment drawn on or issued by persons outside Germany;

(iii) Securities and other evidences of ownership or indebtedness issued by:

(a) Persons outside Germany; or

(b) Persons in Germany if expressed in a currency other than German currency;

(iv) Gold or silver coin; gold, silver or platinum bullion or alloys thereof in bullion form.

(2) Any person owning or controlling directly or indirectly, in whole or in part, any other type of foreign exchange asset, shall, when ordered by Military Government, deliver, against receipt, the possession, custody or control of such asset to the nearest branch of the Reichsbank, or as otherwise directed.

(3) Any property referred to in this paragraph which hereafter comes into the possession, ownership or control of any person subject to law No. 53, as set forth in this section, shall, within 3 days thereof, be delivered by such person in the same manner as provided in this paragraph.

(d) *Article IV, applications for licenses.* Applications for licenses to engage in transactions prohibited by this section or any request in relation to the operation of this section shall be submitted in accordance with such regulations as may be issued at a future date by Military Government.

(e) *Article V; void transactions.* Any transfer effected in violation of this section and any agreement or arrangement

made, whether before or after effective date of this section, with intent to defeat or evade Law No. 53, or the objects of Military Government, is null and void.

(f) *Article VI; conflicting law.* In case of any inconsistency between Law No. 53, as set forth herein, or any order made under it and any German law, the former prevails.

(g) *Article VII; definitions.* For the purposes of this section:

(1) "Person" shall mean any natural person, collective persons and any juristic person under public or private law and any government including all political sub-divisions, public corporations, agencies and instrumentalities thereof;

(2) "Transaction" shall mean acquiring, importing, borrowing or receiving with or without consideration; remitting, selling, leasing, transferring, removing, exporting, hypothecating, pledging or otherwise disposing of; paying, repaying, lending, guaranteeing or otherwise dealing in any property mentioned in this section.

(3) "Property" shall mean all movable and immovable property and all rights and interests in or claims to such property whether present or future, and shall include, but shall not be limited to, land and building, money, stocks, shares, patent rights or licenses thereunder, or other evidences of ownership, and bonds, bank balances, claims, obligations and other evidences of indebtedness, and works of art and other cultural materials;

(4) "Foreign Exchange Asset" shall be deemed to include:

(i) Any property located outside Germany.

(ii) Currency other than German currency; bank balances outside Germany; and checks, drafts, bills of exchange and other instruments of payment drawn on or issued by persons outside Germany.

(iii) Claims and any evidence thereof owned or held by:

(a) Any person in Germany against a person outside Germany whether expressed in German or other currencies;

(b) Any person in Germany against any other person in Germany if expressed in a currency other than German currency;

(c) Any person outside Germany against another person outside Germany in which claim a person in Germany has any interest;

(iv) Any securities and other evidences of ownership or indebtedness issued by persons outside Germany, and securities issued by persons in Germany if expressed or payable in a currency other than German currency.

(v) Gold or silver coin, or gold, silver or platinum bullion or alloys thereof in bullion form, no matter where located;

(vi) Such other property as is determined by Military Government to be a foreign exchange asset;

(5) A juristic person may, for the purpose of the enforcement of the provisions of this section be deemed to be in any one or more of the following countries:

(i) That country by, or under whose laws it is created,

(ii) That or those in which it has a principal place of business, or

(iii) That or those in which it carries on business.

(6) Property shall be deemed to be "owned" or "controlled" by any person if such property is held in his name or for his account or benefit, or owed to him or to his nominee or agent, or if such person has a right or obligation to purchase, receive or acquire such property.

(7) The term "Germany" shall mean the area constituting "Das Deutsche Reich" as it existed on December 31, 1937.

(h) *Article VIII, penalties.* (1) Any person violating the provisions of Law No. 53, shall upon conviction by Military Government Court be liable to any lawful punishment other than death as the court may determine.

(i) *Article IX, effective date.* This section shall become effective upon the date of its first promulgation.

§ 3.41 *Custodians for certain bank organizations; Law No. 57* (a) *Article I.* Pending final determination of the future financial structure of Germany, an independent and disinterested custodian shall be appointed by the State Government of each State for each of the following banks:

- (1) Deutsche Bank
- (2) Dresdner Bank
- (3) Commerzbank

(b) *Article II.* Each custodian shall manage and administer the property of the respective banks within the respective States. He shall preserve, maintain, and safeguard the property, and maintain accurate records and accounts with respect thereto and the income thereof.

(1) Changes in the present management of each bank may be made by the custodian for good cause and subject to the approval of the State Government.

(c) *Article III.* The actions of the custodian are in no way to be influenced by the present shareholders or the Directors of the several banks.

(d) *Article IV* The custodian shall change the names of the banks listed in paragraph (a) of this section.

(1) The new name shall not contain, and shall not be related in any way to, the old name of the banks listed in paragraph (a) nor shall the new name be related in any way to the new name of these banks outside the respective State. The new name shall be subject to approval of the appropriate State Government.

(e) *Article V* The Ministers-President of each State shall issue administrative regulations necessary to implement this section.

This section shall become effective on May 6, 1947.

11. Add §§ 3.50 and 3.51 as follows:

§ 3.50 *Frontier Control, Law No. 161.* (a) Except as authorized by Military Government, no person shall cross the frontiers of Germany and no civilian shall cross the boundaries of the U. S. Zone. Except as so authorized, all inward and outward movement of property and goods either across said frontier or zonal boundary is also prohibited.

(b) The frontiers of Germany as referred to in this section are such frontiers as they existed on December 31, 1937.

(c) Any persons violating the provisions of this section shall, upon conviction by Military Government Court, be liable to any lawful punishment including death, as the Court may determine.

(d) Effective date December 1, 1945.

§ 3.51 *General License No. 1 issued pursuant to §§ 3.40 (a) and 3.50.* (a) This General License No. 1, is granted under the provisions of § 3.50 and paragraph (a) (2) (iii) and (2) (iv) of § 3.40.

(b) Natural persons who are authorized by competent authority either to enter the United States Occupied Zone of Germany and Land Bremen, from another Occupied Zone of Germany, or to depart therefrom to another Occupied Zone of Germany, may bring into the United States Occupied Zone and Land Bremen, at the time of such entry, or may remove therefrom at the time of such departure, ordinary household and personal effects, food and Reichsmark, in their lawful possession, required for their personal use, but excepting items which are prohibited for security reasons.

(c) Natural persons who are authorized by competent authority to enter the United States Occupied Zone of Germany and Land Bremen, from a country other than Germany, may bring into such Zone and Land Bremen, at the time of such entry, ordinary household and personal effects, including food and foreign exchange assets, in their lawful possession, required for their personal use, but excepting items which are prohibited for security reasons; provided that such persons in possession of foreign exchange assets shall be informed of the provisions of § 3.40, particularly paragraphs (a) (b) and (c) thereof and that they are subject thereto.

[Military Government Gazette, Germany, United States Area of Control] (Sec. 3, 60 Stat. 238; 5 U. S. C. Sup. 1002)

[SEAL]

H. B. LEWIS,
Brigadier General.
Acting, The Adjutant General.

[F. R. Doc. 47-9643; Filed, Oct. 28, 1947; 8:46 a. m.]

TITLE 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs

[T. D. 51780]

PART 4—VESSELS IN FOREIGN AND DOMESTIC TRADES

CREW PURCHASES AND STORES; INCLUSION IN MANIFEST FOR COMPTROLLER OF CUSTOMS

Section 4.85 (h) Customs Regulations of 1943 (19 CFR Cum. Supp., 4.85 (h)) is hereby amended by inserting "and of all unentered articles acquired abroad by the officers and crew of the vessel and stores on board," after the words "cargo remaining on board"

(R. S. 161, 251, secs. 439, 442, 443, 444, 624, 46 Stat. 712, 713, 759; 5 U. S. C. 22,

19 U. S. C. Sup. 66, 19 U. S. C. 1439, 1442, 1443, 1444, 1624)

[SEAL]

FRANK DOW,
Acting Commissioner of Customs.

Approved: October 22, 1947.

E. H. FOLEY, Jr.,
Acting Secretary of the Treasury.

[F. R. Doc. 47-9612; Filed, Oct. 28, 1947; 8:48 a. m.]

[T. D. 51779]

PART 11—PACKING AND STAMPING; MARKING; TRADE-MARKS AND TRADE NAMES; COPYRIGHTS

FALSE MARKING; TRADE-MARKS AND TRADE NAMES

1. Section 11.13, Customs Regulations of 1943 (19 CFR, Cum. Supp., 11.13), is hereby amended to read as follows:

§ 11.13 *False designations of origin and false descriptions; false marking of articles of gold or silver* (a) Articles which bear, or the containers of which bear, false designations of origin, or false descriptions or representations, including words or other symbols tending falsely to describe or represent the articles, are prohibited importation and shall be detained.¹⁴

" * * * no article of imported merchandise which * * * shall bear a name or mark calculated to induce the public to believe that the article is manufactured in the United States, or that it is manufactured in any foreign country or locality other than the country or locality in which it is in fact manufactured, shall be admitted to entry at any customhouse of the United States; * * * (Sec. 42, Public No. 489, 79th Cong.)

(a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

(b) Any goods marked or labeled in contravention of the provisions of this section shall not be imported into the United States or admitted to entry at any customhouse of the United States. The owner, importer, or consignee of goods refused entry at any customhouse under this section may have any recourse by protest or appeal that is given under the customs revenue laws or may have the remedy given by this Act in cases involving goods refused entry or seized. (Sec. 43, Public No. 409, 79th Cong.)

The laws of the United States relating to patents, trade-marks, and copyrights have been extended to the Virgin Islands. (Sec. 48 U. S. C. 1405q.)

(b) Articles made in whole or in part of gold or silver or alloys thereof imported for sale by manufacturers or dealers which are marked or labeled in a manner indicating a greater degree of fineness than the actual fineness of the gold or silver or alloys thereof, and any plated or filled articles so imported which are marked or labeled to indicate the fineness of the gold or silver and are not also marked or labeled to indicate the plated or filled condition or are marked or labeled with the word "sterling" or the word "coin" are prohibited importation and shall be detained, and the facts shall be reported to the United States attorney.²⁵

(c) Whenever any articles are detained in accordance with the foregoing provisions of this section, and in the case of any articles detained under paragraph (b) of this section the United States attorney has indicated that he does not intend to prosecute, the articles shall be seized and forfeited in the usual manner except that in any such case within the purview of § 23.25 of this chapter the collector may release the merchandise upon the condition that the prohibited marking be removed or obliterated or that the articles and containers be properly marked to indicate their origin, contents, or condition, or may permit the articles to be exported or destroyed under customs supervision and without expense to the Government. If the case is not within the purview of § 23.25 of this chapter, the importer may petition the Commissioner of Customs for the release of, or permission to export or destroy, the articles under the same conditions.

(d) Articles forfeited for violation of the law set forth in footnote 14 or 15 and section 593 (b) 'Tariff Act of 1930 (19 U. S. C. 1593 (b)) may be disposed of in accordance with the procedure applicable to other customs forfeitures, but may not be released from customs custody except upon the removal by and at the expense of the party in interest of the prohibited marking by reason of which the articles were seized. (R. S. 161, secs. 1-5, 34 Stat. 260-262, secs. 593, 624, 46 Stat. 751, 759; secs. 42, 43, 60 Stat. 440, 441; 5 U. S. C. 22, 15 U. S. C. 294-298, 19 U. S. C. 1593, 1624)

²⁵ It shall be unlawful for any person, firm, corporation, or association, being a manufacturer of or wholesaler or retail dealer in gold or silver jewelry or gold ware, silver goods or silverware, . . . to import or export or cause to be imported into or exported from the United States for the purpose of selling or disposing of the same, . . . any article of merchandise manufactured after June 13, 1907, and made in whole or in part of gold or silver, or any alloy of either of said metals, and having stamped, branded, engraved, or printed thereon, or upon any tag, card, or label attached thereto, or upon any box, package, cover, or wrapper in which said article is incased or inclosed, any mark or word indicating or designed or intended to indicate that the gold or silver or alloy of either of said metals in such article is of a greater degree of fineness than the actual fineness or quality of such gold, silver, or alloy, according to the standards and subject to the qualifications set forth in sections 295 and 296. (15 U. S. C. 294; see also 15 U. S. C. 295-293.)

2. Sections 11.14 to 11.17, inclusive, Customs Regulations of 1943 (19 CFR, Cum. Supp., 11.14-11.17), are hereby amended to read as follows:

TRADE-MARKS AND TRADE NAMES

§ 11.14 *Trade-marks and trade names; prohibition of importation.* (a) The importation of merchandise of foreign or domestic manufacture is prohibited if such merchandise bears a mark or name which copies or simulates a trade-mark or trade name recorded in the Treasury Department under the Trade-Mark Act of February 20, 1905, or the Trade-Mark Act of July 5, 1946, unless such merchandise is imported by or for the account of, or with the written consent of, the owner of the protected trade-mark or trade name.²⁶

(b) A mark or name (including a mark or name which is a genuine trade-mark or trade name in a foreign country) on an article of foreign manufacture identical with a trade-mark or trade name recorded under the above-mentioned trade-mark laws, as well as a mark or name on an article of foreign or domestic manufacture counterfeiting such recorded trade-mark or trade name, or so resembling such recorded trade-mark or trade name as to be likely to cause confusion or mistake in the minds of the public or to deceive purchasers, shall be deemed to copy or simulate such protected trade-mark or trade name. However, merchandise manufactured or sold in a foreign country under a trade-mark or trade name, which trade-mark is registered and recorded, or which trade name is recorded under the above-mentioned trade-mark laws, shall not be deemed to copy or simulate such United States trade-mark or trade name if such foreign trade-mark or trade name and such United States trade-mark or trade name are owned by the same person, partnership, association, or corporation. (R. S. 161, sec. 27, 33 Stat. 730, secs. 526, 624, 46 Stat. 741, 759, sec. 42, 60 Stat. 440; 5 U. S. C. 22, 15 U. S. C. 294-293, 19 U. S. C. 1593, 1624)

§ 11.15 *Trade-marks; recording.*²⁷ (a) To record a trade-mark with the Treasury Department, an application, which may be in the form of a letter, shall be addressed to the Bureau of Customs, Washington 25, D. C., stating the name, residence, and citizenship of the owner or owners (if a partnership, the citizenship of each partner; if a corporation or association, the country or state within which it was organized or created), and the name of the locality in which the goods are manufactured. The application shall be accompanied by one certified copy of the original certificate of registration issued by the Commissioner of Patents in accordance with the Trade-Mark Act of February 20, 1905, or section 7 of the Trade-Mark Act of July 5, 1946, to which shall be attached one printed Patent Office facsimile of

²⁶ Registration on the supplemental register or under the act of March 19, 1929, shall not be filed in the Department of the Treasury or be used to stop importations. (Trade-Mark Act of July 5, 1946, sec. 23; Public No. 483, 73th Cong.)

the statement and drawing covering the trade-mark, such of the documents mentioned in paragraph (b) of this section as may be required to show the ownership of the applicant, and 500 uncertified facsimiles of the statement and drawing covering the trade-mark (which may be reproduced privately from a Patent Office facsimile) for distribution to all collectors of customs and appraisers of merchandise.²⁸

(b) If ownership of a registered trade-mark is claimed by an applicant by virtue of an assignment of such trade-mark, there shall be transmitted with the application for recording, in addition to the documents and information specified in paragraph (a) of this section, a certified abstract of title from the records of the United States Patent Office showing the ownership of the applicant. Similar documentary evidence shall accompany an application for recording if the commercial name of the applicant has been changed subsequent to registration of the trade-mark. If the application for recording is presented after the expiration of the period for which the certificate of registration or a renewal thereof was issued, the application shall be accompanied by a certified copy of a certificate of renewal from the United States Patent Office showing that the registration is in force. In order to continue to receive the protection of the trade-mark statutes with respect to imported merchandise, such a certified copy of a certificate of renewal shall be filed with the Treasury Department if the period of protection expires after the trade-mark has been recorded. (R. S. 161, sec. 27, 33 Stat. 730, secs. 526, 624, 46 Stat. 741, 759, sec. 42, 60 Stat. 440; 5 U. S. C. 22, 15 U. S. C. 294-293, 19 U. S. C. 1593, 1624)

§ 11.16 *Trade names; recording.* (a) To record the trade name (not a trade-mark) of a manufacturer or trader, an application, which may be in the form of a letter, shall be addressed to the Bureau of Customs, Washington 25, D. C., stating the trade name, the name, residence, and citizenship of the owner or owners (if a partnership, the citizenship of each partner; if a corporation or association, the country or state within which it was organized or created) a description of the class or kind of merchandise to which the trade name is applied, and the name of the locality in which the merchandise is manufactured.²⁹ The application shall be accompanied by supporting evidence in the form of affidavits by the owner or owners and by at least two other persons having actual knowledge of the facts, showing that the applicant has used the trade name in connection with the class or kind of merchandise described in the application for a specified period of time, that the trade name is not identical with, or confusingly similar to, any other trade name or registered trade-mark used in connection with merchandise of such class or kind, and that the applicant has the sole and exclusive right to the use of such trade name in connection with merchandise of such class or kind.

²⁸ No fee is charged for recording trade-marks or trade names in the Treasury Department.

(b) Such affidavits accompanying an application to record the trade name of a manufacturer or trader located in a foreign country shall be acknowledged before an American consular officer. (R. S. 161, sec. 27, 33 Stat. 730; secs. 526, 624, 46 Stat. 741, 759; sec. 42, 60 Stat. 440; 5 U. S. C. 22, 15 U. S. C. 294-298, 19 U. S. C. 1593, 1624)

§ 11.17 *Detention; seizure; exportation, release.* (a) Merchandise of foreign manufacture which bears a trade-mark entitled to the protection of section 526, Tariff Act of 1930,²³ and merchandise which bears a mark or name copying or simulating a trade-mark or trade name entitled to the protection of section 27, Trade-Mark Act of February 20, 1905, or section 42, Trade-Mark Act of July 5, 1946,²⁴ if not imported by or for the account of, or with the appropriate written consent of, the owner of the United States trade-mark or trade name shall be detained for a period of 30 days from the date of notice to the importer that the merchandise is prohibited importation to permit the importer to secure the written consent of the owner of the trade-mark or trade name.

²³ (a) *Importation prohibited.* It shall be unlawful to import into the United States any merchandise of foreign manufacture if such merchandise, or the label, sign, print, package, wrapper, or receptacle, bears a trade-mark owned by a citizen of, or by a corporation or association created or organized within, the United States, and registered in the Patent Office by a person domiciled in the United States, under the provisions of the Act entitled "An Act to authorize the registration of trade-marks used in commerce with foreign nations or among the several States or with Indian tribes, and to protect the same," approved February 20, 1905, as amended, and if a copy of the certificate of registration of such trade-mark is filed with the Secretary of the Treasury, in the manner provided in section 27 of such Act, unless written consent of the owner of such trade-mark is produced at the time of making entry.

(b) *Seizure and forfeiture.* Any such merchandise imported into the United States in violation of the provisions of this section shall be subject to seizure and forfeiture for violation of the customs laws.

(c) *Injunction and damages.* Any person dealing in any such merchandise may be enjoined from dealing therein within the United States or may be required to export or destroy such merchandise or to remove or obliterate such trade-mark and shall be liable for the same damages and profits provided for wrongful use of a trade-mark, under the provisions of such Act of February 20, 1905, as amended." (Tariff Act of 1930, sec. 525; 19 U. S. C. 1526.)

²⁴ That no article of imported merchandise which shall copy or simulate the name of any domestic manufacture, or manufacturer, or trader, or of any manufacturer or trader located in any foreign country which, by treaty, convention, or law affords similar privileges to citizens of the United States, or which shall copy or simulate a trade-mark registered in accordance with the provisions of this act or shall bear a name or mark calculated to induce the public to believe that the article is manufactured in the United States, or that it is manufactured in any foreign country or locality other than the country or locality in which it is in fact manufactured, shall be admitted to entry at any customhouse of the United States; and, in order to aid the officers of the customs in enforcing this prohibition, any domestic

(b) Whenever merchandise is detained in accordance with the foregoing provisions of this section and the importer indicates that he will not attempt to secure the written consent of the owner of the trade-mark or trade name to the importation of the merchandise, or such consent is not presented to the collector prior to the expiration of the 30-day period, the merchandise shall be seized and forfeited in the usual manner, except that in any such case within the purview of § 23.25 of this chapter, the collector may release the merchandise upon the condition that the name, mark, or trade-mark be removed or obliterated prior to the release, or may permit the merchandise to be exported under customs supervision and without expense to the Government. If the case is not within the purview of § 23.25 of this chapter, the importer may petition the Commissioner of Customs, through the collector, for the release of, or permission to export, the merchandise under the same conditions.

(c) Merchandise forfeited for violation of any trade-mark law may be disposed of in accordance with the procedure applicable to other customs forfeitures, but only after removal or obliteration of the name, mark, or trade-mark by reason of which the goods were seized.

(d) If the violation is not discovered until after entry and deposit of estimated duty, the entry shall be endorsed with an appropriate notation, the duty refunded as an erroneous collection, and the merchandise disposed of in accordance with the foregoing provisions of this section. (R. S. 161, sec. 27, 33 Stat. 730; secs. 526, 624, 46 Stat. 741, 759; sec. 42, 60 Stat. 440; 5 U. S. C. 22, 15 U. S. C. 294-298, 19 U. S. C. 1593, 1624)

[SEAL] FRANK DOW,
Acting Commissioner of Customs.

Approved: October 22, 1947.

E. H. FOLEY, Jr.,
Acting Secretary of the Treasury.

[F. R. Doc. 47-9613; Filed, Oct. 28, 1947; 8:46 a. m.]

manufacturer or trader, and any foreign manufacturer or trader, who is entitled under the provisions of a treaty, convention, declaration, or agreement between the United States and any foreign country to the advantages afforded by law to citizens of the United States in respect to trade-marks and commercial names, may require his name and residence, and the name of the locality in which his goods are manufactured, and a copy of the certificate of registration of his trade-mark, issued in accordance with the provisions of this act, to be recorded in books which shall be kept for this purpose in the Department of the Treasury, under such regulations as the Secretary of the Treasury shall prescribe, and may furnish to the Department facsimiles of his name, the name of the locality in which his goods are manufactured, or of his registered trade-mark, and thereupon the Secretary of the Treasury shall cause one or more copies of the same to be transmitted to each collector or other proper officer or customs. (Sec. 42, Public No. 489, 79th Cong. See similar provision in Trade-Mark Act of February 20, 1905, sec. 27; 15 U. S. C. 106.)

The laws of the United States relating to patents, trade-marks, and copyrights have been extended to the Virgin Islands. (See 48 U. S. C. 1405q.)

TITLE 24—HOUSING CREDIT

Chapter VIII—Office of Housing Expediter

PART 851—ORGANIZATION DESCRIPTION INCLUDING DELEGATION OF FINAL AUTHORITY

DESIGNATION OF ACTING HOUSING EXPEDITER

§ 851.22 *Designation of Acting Housing Expediter* Tighe E. Woods is hereby designated to act as Housing Expediter during my absence from October 27 to October 31, 1947, with the title "Acting Housing Expediter" with all the powers, duties, and rights conferred upon me by the Housing and Rent Act of 1947, or any other act of Congress or Executive order, and all such powers, duties, and rights are hereby delegated to such officer for such period. (Pub. Law 129, 80th Cong.)

Issued this 24th day of October 1947.

FRANK R. CREEDON,
Housing Expediter

[F. R. Doc. 47-9622; Filed, Oct. 28, 1947; 8:49 a. m.]

TITLE 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

[Circular 1660]

PART 147—EXCHANGES BY STATES UNDER TAYLOR GRAZING ACT

ACTION ON CONFLICTING APPLICATION FOR LEASE OR FOR RENEWAL OF SUCH LEASE

Section 147.19 is amended to read as follows:

§ 147.19 *Action on conflicting application for section 15 lease or for renewal of such lease.* Where an application for a lease, or for the renewal thereof, under section 15 of the Taylor Grazing Act, conflicts with a pending application for a State exchange under section 8 of said act, the Bureau of Land Management may issue a lease or renewal lease for the lands in conflict, which lease shall provide for its termination as to the lands in conflict on the date when the pending conflicting State exchange application is approved for patenting. (R. S. 453, 2478; 43 U. S. C. 2, 1201)

FRED W. JOHNSON,
Director

Approved: October 21, 1947.

C. GIRARD DAVIDSON,
Assistant Secretary of the Interior

[F. R. Doc. 47-9617; Filed, Oct. 28, 1947; 8:48 a. m.]

TITLE 45—PUBLIC WELFARE

Subtitle A—Federal Security Agency, General Administration

PART 30—ADMINISTRATIVE PROCEDURES AND FORMS

PART 35—TORT CLAIMS AGAINST THE GOVERNMENT

1. Section 30.2 is hereby cancelled. The subject matter formerly contained

in § 30.2 is set forth in §§ 35.1 through 35.7, inclusive.

2. Pursuant to the authority contained in the Federal Tort Claims Act (60 Stat. 843, 28 U. S. C. Sup. 921) and Federal Security Agency Order 101, the following regulations governing the presentation of claims to the Federal Security Agency pursuant to Part 2 of the Federal Tort Claims Act are prescribed:

- Sec.
35.1 Claims for damage, loss, or destruction of property, personal injury, or death.
35.2 Form of claim.
35.3 Place of filing.
35.4 Evidence to be submitted by claimant.
35.5 Signatures.
35.6 Attorneys' fees.
35.7 Disclosure of information.

AUTHORITY: §§ 35.1 to 35.7, inclusive, issued under sec. 403, 60 Stat. 843, 28 U. S. C. Sup. 921.

§ 35.1 *Claims for damage, loss, or destruction of property, personal injury, or death.* Claims for damage to, or loss or destruction of, property or for personal injury or death may be presented by the owner of the property or the injured person or his duly authorized agent or legal representative. The claim, if filed by an agent or legal representative, must show the title or capacity of the person presenting the claim and must be accompanied by evidence of the appointment of such person to act as agent, executor, administrator, guardian, or other fiduciary.

§ 35.2 *Form of claim.* Claims should be submitted on Standard Form No. 28.¹ If such form is not used, claims should be submitted by presenting a statement in writing setting forth the claimant's name and address, the amount of the claim, the detailed facts and circumstances surrounding the accident or incident, indicating the date, time of day, place, the property and persons involved, the nature and extent of the damage, loss, destruction, or injury, and names and addresses of witnesses, and where appropriate, the weather and visibility. Whether or not Standard Form No. 28 is used information must be supplied as to any insurance carried and the sums due or recovered pursuant to such policies of insurance. The claimant may, if he desires, file a brief with his claim setting forth the law or other arguments in support of his claim. In cases involving claims by more than one person arising from a single accident or incident, individual claim forms shall be used.

§ 35.3 *Place of filing.* Forms may be obtained and claims may be filed with the office, local or regional, having jurisdiction over the employee of the Agency involved in the accident or incident, with the departmental headquarters of the Bureau or constituent organization concerned, or with the Federal Security Agency Claims Board, Washington 25, D. C.

§ 35.4 *Evidence to be submitted by claimant—(a) General.* The liability of the Government and the amount claimed for damage to, or loss or destruction of, property or for personal in-

jury or death must be substantiated. All statements or estimates required to be submitted by the following subsections should, if possible, be by reputable dealers in or persons familiar with, the type of property damaged. Such statements and estimates should be certified as just and correct and, if payment has been made, itemized receipts evidencing such payment should be included. Where property has been damaged, lost, or destroyed, proof of ownership or right to recover for the damage should be submitted. The Government reserves the right to examine any person injured and any property damaged.

(b) *Damage to personal property.* In support of a claim for damage to personal property which has been or can be economically repaired, the claimant should submit itemized signed receipts, if payment has been made, or not less than two itemized signed statements or estimates by reliable disinterested concerns of the cost of repairs. If the property is not economically repairable, or if lost or destroyed, as the case may be, proof of this fact, and of its market value immediately before and after the accident will be required. In all instances the purchase price and date of acquisition of the property should be stated.

(c) *Personal injury.* In support of a claim for personal injury, or death, the claimant must submit a complete physician's report, showing the nature and extent of injury, the nature and extent of treatment, the extent of disability if any, the prognosis, and the period of hospitalization and/or incapacitation, attaching itemized bills for medical, hospital, or other expenses actually incurred, which are allowable according to the law of the place where the accident or incident occurred.

(d) *Damage to real property.* In support of a claim for damage to land, trees, buildings, fences, and other improvements, and similar property, the claimant should submit itemized signed receipts if payment has been made, or not less than two itemized signed statements or estimates by reliable disinterested concerns of the cost of repairs. If the property is not economically repairable, or if destroyed, as the case may be, evidence of this fact, and of its market value both before and after the accident should be included. In all instances, the purchase price and the date of acquisition of the property should be stated.

§ 35.5 *Signatures.* The claim and all other papers requiring the signature of the claimant should be signed by the claimant personally or by a duly authorized agent or legal representative. Section 35 (a) of the Criminal Code (18 U. S. C. 80) imposes a fine of not more than \$10,000 and imprisonment for not more than 10 years, or both, for presenting false claims or making false or fraudulent statements or representations in connection with making claims against the Government. A civil penalty of forfeiture of \$2,000 plus double the amount of damages sustained by the United States is provided for presenting false or fraudulent claims. (See 31 U. S. C. 231)

§ 35.6 *Attorneys' fees.* Attorneys' fees will be determined and allowed by

the Board only upon written request by the claimant, his legal representative, or his attorney.

§ 35.7 *Disclosure of information.* No copy of the contents of any file and/or record within the control of the Federal Security Agency Claims Board shall be furnished except to departments or independent establishments in the executive branch of the Federal Government.

FEDERAL SECURITY AGENCY
CLAIMS BOARD,
[SEAL] HENRY C. ILEB,
Chairman.

Approved: October 13, 1947.

OSCAR R. EWING,
Federal Security Administrator.

[P. R. Doc. 47-3825; Filed, Oct. 23, 1947;
8:50 a. m.]

TITLE 49—TRANSPORTATION AND RAILROADS

Chapter I—Interstate Commerce Commission

[S. O. 550, Amdt. 4]

PART 95—CAR SERVICE

EMBARGO OF LAKE-CARGO COAL, APPOINTMENT OF AGENT

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 24th day of October A. D. 1947.

Upon further consideration of Service Order No. 550 (11 F. R. 7897) as amended (11 F. R. 8597, 14469; 12 F. R. 2926) and good cause appearing therefor: It is ordered, that:

Section 95.550 *Embargo of lake-cargo coal; appointment of agent of Service Order No. 550*, be, and it is hereby further amended by substituting the following paragraph (f) for paragraph (f) thereof.

(f) *Expiration date.* This section shall expire at 11:59 p. m., November 20, 1948, unless otherwise modified, changed, suspended or annulled by order of this Commission.

It is further ordered, that this amendment shall become effective at 12:01 a. m., October 30, 1947, that a copy of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Secs. 1, 15, 24 Stat. 379, 384, as amended; 40 Stat. 101, secs. 402, 418, 41 Stat. 476, 485, secs. 4, 10, 54 Stat. 901, 911; 49 U. S. C. 1 (10)-(17), 15 (4))

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[P. R. Doc. 47-3827; Filed, Oct. 23, 1947;
8:50 a. m.]

¹ Not filed with the Division of the Federal Register.

[S. O. 551, Amdt. 4]

PART 95—CAR SERVICE

HAMPTON ROADS, VA. COAL, APPOINTMENT OF AGENT

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 24th day of October A. D. 1947.

Upon further consideration of Service Order No. 551 (11 F. R. 7897), as amended (11 F. R. 14469; 12 F. R. 1518, 2926) and good cause appearing therefor: It is ordered, that:

Section 95.551 *Hampton Roads, Va. coal, appointment of agent*, of Service Order No. 551 be, and it is hereby further amended by substituting the following paragraph (e) for paragraph (e) thereof:

(e) *Expiration date*. This section shall expire at 11:59 p. m., November 20, 1948, unless otherwise modified, changed, suspended or annulled by order of this Commission.

It is further ordered, that this amendment shall become effective at 12:01 a. m., October 30, 1947, that a copy of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads, subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Sec. 1, 24 Stat. 379, as amended; 40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901, 49 U. S. C. 1 (10)-(17))

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 47-9628; Filed, Oct. 28, 1947;
8:51 a. m.]

[S. O. 783]

PART 97—ROUTING OF TRAFFIC

REROUTING OF LOADED CARS; APPOINTMENT OF AGENT

At a session of the Interstate Commerce Commission, Division 3, held at

its office in Washington, D. C., on the 21st day of October A. D. 1947.

It appearing, that there is a congestion of railroad traffic and loaded cars are not being transported with maximum efficiency to best promote the service in the interest of the public; the Commission is of opinion that an emergency requiring immediate action exists in the area named in paragraph (c) hereof. It is ordered, that,

§ 97.783 *Rerouting of loaded cars; appointment of agent*—(a) *Definitions*. (1) The term "common carrier" as used in this section means a common carrier by railroad subject to the Interstate Commerce Act.

(2) The term "car" or "cars" as used in this section means any loaded railroad freight car or cars.

(b) (1) *Designation*. E. W. Coughlin, 59 East Van Buren Street, Chicago, Illinois, is hereby designated and appointed as agent of the Interstate Commerce Commission and vested with the authority to reroute cars to, from or between common carriers in the area named in paragraph (c) of this section.

(2) *Outline of duties*. As agent, acting on instructions of the Director, Bureau of Service, he is hereby authorized and directed to order any common carrier to divert or reroute over the line or lines of any common carrier, cars from the line of any common carrier operating in the area listed in paragraph (c) of this section which in his opinion cannot currently accept and move such traffic. Such rerouting or diversion shall be made regardless of the routing shown on the bill of lading designated by either shipper or carrier. Such diversion or rerouting shall be made either at point of origin or as soon as possible thereafter. A copy of each order issued by the agent shall be furnished to the Director, Bureau of Service, on the date of issuance.

(c) *Area affected*. Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan (lower peninsula), Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Wisconsin.

(d) *Execution of agent's orders*. Each common carrier, as it may be affected by Agent Coughlin's orders, shall perform the service required therein without delay.

(e) *Application*. The provisions of this section shall apply to cars moving in

intrastate and foreign commerce as well as interstate commerce.

(f) *Rates to be applied*. Inasmuch as such disregard of routing is deemed to be due to carrier's disability, the rates applicable to traffic so forwarded by routes other than those designated by shippers, or by carriers shall be the rates which were applicable at date of shipment over the routes so designated.

(g) *Division of rates*. In executing the orders and directions of the Commission provided for in this section, common carriers affected shall proceed, even though no division agreements are in effect, over the routes authorized; divisions shall be, during the time this section remains in force, voluntarily agreed upon by and between said carriers; and upon failure of said carriers to so agree, the divisions shall be hereinafter fixed by the Commission in accordance with pertinent authority conferred upon it by the Interstate Commerce Act. If division agreements now exist on the traffic affected, over the routes herein authorized they shall not be changed or affected by this section.

(h) *Effective date*. This section shall become effective at 12:01 a. m., October 22, 1947.

(i) *Expiration date*. This section shall expire at 12:01 a. m., April 30, 1948, unless otherwise modified, changed, suspended or annulled by order of this Commission.

It is further ordered, that copies of this order and direction shall be served upon the State railroad regulatory bodies of each State named herein, and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this order shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Secs. 1, 15, 24 Stat. 379, 384, as amended, 40 Stat. 101, secs. 402, 418, 41 Stat. 476, 485, sec. 4, 10, 54 Stat. 901, 911, 49 U. S. C. 1 (10)-(17), 15 (4))

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 47-9626; Filed, Oct. 28, 1947;
8:50 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

17 CFR, Part 9411

HANDLING OF MILK IN CHICAGO, ILLINOIS, MARKETING AREA

DECISION WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND PROPOSED AMENDMENTS TO ORDER

Pursuant to Public Act No. 10, 73d Congress (May 12, 1933) as amended

and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (hereinafter referred to as the "act"), and the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders (7 CFR Supps., 900.1 et seq., 11 F. R. 7737; 12 F. R. 1159, 4904) a public hearing was held at Chicago, Illinois, on September 24-25, 1947, inclusive, pursuant to the notice thereof which was published in the FEDERAL REGISTER on September 20, 1947 (12 F. R. 6299), upon certain pro-

posed amendments to the tentatively approved marketing agreement and to the order, as amended, regulating the handling of milk in the Chicago, Illinois, marketing area.

The material issues presented on the record of the hearing were:

(1) Whether action should be taken to make milk supplies more readily available to handlers engaged in the distribution of milk and cream in the Chicago marketing area during the remainder of the short supply season;

(2) The nature and scope of action to be taken; and

(3) Whether the facts presented on the record warrant the omission of a recommended decision and exceptions thereto.

Findings and conclusions. The following findings and conclusions on the material issues are based upon the evidence introduced at the hearing and the record thereof:

(1) Action should be taken to make milk supplies more readily available to handlers engaged in the distribution of milk and cream in the Chicago marketing area during the remainder of the short supply season.

Handlers in the Chicago marketing area experienced considerable difficulty and expense in filling their requirements for Class I and Class II milk during August. At the same time, bulk milk and cream were being sold to distant markets, and some milk was being used for Class III purposes. Unusually hot weather conditions during August were responsible for a significant drop in milk production and for increased demand for Class I and Class II products. Mid-September conditions were said to be satisfactory with supply and demand in close balance.

The normal seasonal pattern of production is such that milk production may be expected to decline through October and a part of November and then increase through the following months until next July. Some of the Class II requirements of the market can be served from frozen cream stocks, which are less than a year ago, but are nevertheless of considerable quantity. However, a short supply period may occur during October and November when it will be necessary for the Chicago area trade to draw more upon its reserve supplies. These reserve supplies in the pool may then be inadequate to support the full volume of outside sales, and at the same time supply fully the Class I and Class II needs for pool milk by Chicago area handlers.

Sales of milk and milk equivalent of cream to distant markets amounted to nearly 8 million pounds per month last year during the four months of lowest milk production. During the eight months of larger production, such sales were much less, averaging about 4 million pounds per month. This does not include sales in the outlying suburban or so-called metropolitan area of Chicago by Chicago handlers. Milk used for Class III purposes during the "short" period in 1946 amounted to approximately 5 million pounds per month.

It is concluded that the reserve supply of milk is not adequate to provide for these uses in their entirety and also to insure a sufficient quantity of pure and wholesome milk for consumers in the marketing area. Therefore amendment action is necessary to provide for direction of a greater proportion of the total milk supply during the short supply season to the Class I and Class II needs of the marketing area.

(2) The nature and scope of action taken should be to amend the order for the Chicago marketing area so as to provide that until November 30, 1947, milk moved as fluid milk or as fluid cream

from an approved plant to any point outside the surplus manufacturing area shall be priced at 60 cents per hundredweight above the regularly established Class I and Class II prices, respectively.

Two proposals contained in the notice of hearing attempted to solve the problem by providing for suspension from participation in the pool during the flush production period if certain requirements during the preceding short supply season were not met. A third proposal contained in the notice of hearing provided for establishing emergency periods by the market administrator with the consent of an industry committee during which periods milk in excess of 10 percent of producer receipts used for Class I and II sales outside the marketing area or for Class III or Class IV milk would be priced by the addition of certain amounts in addition to the established class prices. The proponents of this proposal did not support its specific provisions in their entirety.

The two proposals for suspension from pool participation were not supported at the hearing by their proponents. Instead the proponents of these proposals introduced and supported modifications of the proposal based upon higher pricing during emergency periods for milk of specified uses. One proposal was for an increase of 84 cents per hundred pounds (the difference between Class I and Class IV prices during certain months) on all Class I and Class II milk sold beyond 150 miles of Chicago whenever, before December 31, 1947, an industry committee and the market administrator acting in concert proclaimed an emergency. The other provided for the addition (effective through November 30, 1947) of \$1.13 per hundred pounds to the prices of all bulk milk and cream sold by a handler to a nonhandler beyond 100 miles from Chicago.

The possible application of higher prices to Class III milk was not developed fully at the hearing. While no action is supported at this time which might favorably influence the availability of Class III milk for the Class I and Class II requirements of handlers in the Chicago market, it is indicated that any action beyond the present emergency period will require thorough appraisal of this factor. It does not appear that Class IV milk beyond that necessarily incident to Class I and Class II distribution is being used during the shortage period.

However, action is desirable and immediately necessary on a temporary basis which will provide a more equitable relationship of prices for milk used in the Chicago area as compared with prices for milk disposed of in distant markets, so as to assure handlers in the Chicago market a sufficient supply of milk for Class I and Class II purposes. The points advanced in favor of using higher prices on milk sold to distant markets may be summarized as follows:

(a) That such sales are usually made on a highly seasonal basis which takes milk supplies from the Chicago market during the fall months of lower production and leaves the burden of surplus on the Chicago pool during the season

of flush production to the disadvantage of producers.

(b) That Chicago handlers do not have a competitive position comparable to dealers in distant markets in the purchase of milk supplies from country plants.

There appears to be sufficient validity in these arguments to warrant the limited application of higher pricing to sales to distant markets, using the presently defined surplus manufacturing area as the area beyond which such pricing would apply. While producers may carry some burden of surplus on sales within the surplus manufacturing area to points beyond the Order No. 41 marketing area, producers throughout this area can to some extent shift readily to the local markets when higher prices are available. Dealers within this area do not have the competitive advantage over Chicago handlers in the competition for milk supplies from country plants approved for Chicago that is enjoyed by those in more distant markets. Chicago pool handlers themselves are an important factor in the retail distribution of milk in this area. Dealers in distant markets can pay high prices to country plant operators for short season needs without affecting the cost of the major portion of their supplies. Because their local supplies are interspersed with those of the Chicago market, distributors in the surplus manufacturing area do not have this opportunity.

One brief contested the legality of separate pricing for outside sales as being contrary to the provisions of section 8 (c) (5) (A) of the Agricultural Marketing Agreement Act, in that it fails to price milk uniformly. This section specifically provides for classifying milk in accordance with the form in which or the purpose for which used, and providing minimum prices for each use classification. The distant market sales under consideration constitute a particular disposition or use of milk to which it is proposed to apply a specific uniform price reflecting an appropriate market differential. The order as at present constituted provides for determination of the classification of such milk on a basis distinctly different from the basis that determines the classification of other milk.

It was contended in another brief that action such as that decided upon herein is in violation of section 8c (5) (G) of the act. As elsewhere stated herein the proposed action will adjust prices so as to insure an adequate supply of milk for the marketing area, provide equity for handlers and producers and be in the public interest. It does not prohibit or limit the marketing of milk or its products in the marketing area within the meaning of section 8c (5) (G) nor does it impose arbitrary and unreasonable premium upon the milk in question. Also, it does not constitute the laying of an impost on shipments to or from another State, within the prohibition to that effect in the Federal Constitution, as further contended in such brief.

It also was contended that the proposed action would impair existing contracts containing provisions contrary thereto. Marketing orders, which have the force and effect of law, may be is-

sued and amended from time to time, so as to effectuate the purposes of the act, even though there may be outstanding contracts inconsistent with such orders. In such cases, the mandate contained in the marketing order prevails. While the existence of such contracts might have been pertinent on the question of whether the order should be amended, no such contracts were introduced in evidence for that or any other purpose. It was further contended that the proposed action is outside the scope of the hearing notice. This contention is overruled as the proposed action is within the reasonable scope of proposals in the hearing notice.

The effect of outside sales on producer prices is difficult to appraise correctly. It may be argued that if milk had not been sold to distant markets it nevertheless would have been in the pool and its use in surplus classes would then have reduced the producers' uniform prices; on this assumption the brief submitted on behalf of handlers in the St. Louis market alleges that outside sales increased the uniform price by 1.66 cents over the past year through a contribution of approximately 70 cents per hundred pounds of outside sales. It may also be argued that in order to have milk for sale in distant markets during the short season it is necessary for the Chicago pool to carry surplus milk during other months of the year, and that the complete elimination of such milk from the pool would improve the uniform price to Chicago producers; on this assumption it can be computed that each hundred pounds of outside sales cost the pool about 60 cents for the past year. By relating the charge so computed to outside sales for a four-month period proponents of one proposal argued for an increase of \$1.13 on such sales during the current short supply period.

It was not shown at the hearing that in the absence of outside sales the burden of surplus on the pool would have been lessened by removal of the related production from the pool; neither was it shown that the full volume of such sales in short seasons could be used in equivalent classes in the Chicago area. It was shown conclusively, however, that the volume and seasonal character of such sales is such as to reduce reserve supplies of milk for the marketing area below safe levels during the current short supply season. This creates a demand for increased supplies, which will probably increase the burden of surplus during following months at the expense of producers generally. It is concluded that under such conditions producers should receive some reimbursement during this period on sales made to outside markets. It is not considered reasonable that an attempt should be made to recoup in this short period an aggregate annual burden that may be computed under an assumption not wholly sustained by evidence at the hearing; the amount of 60 cents per hundred pounds on outside sales is however considered a reasonable additional return to producers in the circumstances.

Dealers purchasing milk for distant markets have no responsibility for carry-

ing surplus milk when their supplies are purchased from approved plants under the Chicago milk order. This fact presumably gives them some advantage in bargaining. Moreover, sales made to distant markets are charged to country plants receiving the milk at regular class prices, less applicable handler zone location adjustments, which in some instances may reflect an additional advantage to distant markets on milk moving direct to such markets without passing through Chicago. To meet such competition, Chicago handlers are easily placed in the position of paying premiums to certain sources of supply which they do not pay to other sources of supply, or otherwise failing to get the milk in question. Chicago distributors testified at the hearing that during the August shortages country plant charges up to 95 cents per hundred pounds were made, compared with normal charges of from 19 cents to 45 cents per hundred pounds. These higher charges were made by country plants whose supply is needed for Class I purposes in Chicago only during short supply periods and were presumably influenced by the prices offered by outside markets. An additional charge of 60 cents per hundred pounds on sales of Class I and Class II milk outside the surplus manufacturing area will balance the competitive conditions closely so that the needs for Class I and II milk in Chicago may be filled without affecting these outside sales unnecessarily. It will also tend to reimburse producers for losses incident to carrying excess surplus associated with such outside sales.

In view of the foregoing, and to enable the development of a more equitable relationship between markets for both producers and handlers, it is concluded that the price of milk moved as Class I and Class II outside of the surplus manufacturing area should be increased by 60 cents per hundredweight. The 84 cent increase as argued by its proponent does not have equal merit in method of measurement, and the suggested \$1.13 increase does not appear reasonable at this time in view of the failure of present action to deal with all implications of the problem here at issue and the assumptions involved.

The selection of the surplus manufacturing area instead of areas proposed in notice of hearing or at the hearing is based upon the fact that it is a well defined area under the present order; it embraces substantially all sales to which testimony was directed; and it is not being adopted as a permanent area for this purpose, thereby permitting complete review for development of future action. Sales from approved plants within this area made on routes which may extend beyond the area are not included in those to which the increased prices apply. The volume of such sales is small and it is administratively difficult to separate them from such sales within the area; in addition they represent regular distribution which is not of a seasonal character.

The period during which the amendment is to be effective is determined to be from the effective date of the amendment through November 30, 1947. This

method of designating the period during which to apply the amendment is considered desirable in preference to a method involving a market committee under the present circumstances and for speedy action.

(3) The due and timely execution of the functions of the Secretary of Agriculture under the act imperatively and unavoidably requires the omission of a recommended decision by the Assistant Administrator, Production and Marketing Administration, and exceptions thereto.

The hearing record established that immediate action must be taken if an amendment is to meet effectively the urgent supply and demand problems sought to be alleviated. With respect to such problems, the critical period for the remainder of 1947 was shown to be October and November. The delay necessarily involved in the preparation, filing, and publication of a recommended decision and exceptions thereto would defeat the purposes of the amendment for a considerable part of this period. In the circumstances omission of the recommended decision and exceptions thereto is imperative and unavoidable.

(4) *General findings and conclusions.*

(a) The tentative marketing agreement and the order, as amended, and as hereby proposed to be further amended and all of the terms and conditions thereof will tend to effectuate the declared policy of the act;

(b) The prices calculated to give milk produced for sale in the said marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to sections 2 and 8 (e) of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply of and demand for such milk, and the minimum prices specified in the tentative marketing agreement and order, as amended, and as hereby proposed to be further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The tentative marketing agreement and order, as amended and hereby proposed to be further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in the said tentatively approved marketing agreement upon which the hearing has been held.

Rulings on proposed findings and conclusions. Briefs were filed on behalf of various handlers subject to Order No. 41. The briefs contain statements of fact, conclusions, and arguments with respect to all of the proposals discussed at the hearing. Every point covered in the briefs was carefully considered, along with the evidence in the record in making the findings and reaching the conclusions hereinbefore set forth. Although all of the briefs do not contain specific requests to make proposed findings, it is assumed that the statements, conclusions, and arguments submitted

were for this purpose and are treated accordingly. To the extent that such proposed findings and conclusions differ from the findings and conclusions contained herein, the requests to make such findings or to reach such conclusions are denied on the basis of the facts found and stated in connection with the conclusions in this decision.

Marketing agreement and order. Annexed hereto and made a part hereof are two documents entitled "Marketing agreement regulating the handling of milk in the Chicago, Illinois, marketing area" and "Order amending the order, as amended, regulating the handling of milk in the Chicago, Illinois, marketing area," which have been decided upon as the appropriate and detailed means of effecting the foregoing conclusions. These documents shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders have been met.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the attached order, amending the order, as amended, which will be published with the decision.

This decision filed at Washington, D. C., this 23d day of October 1947.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

Order¹ Amending the Order, as Amended, Regulating the Handling of Milk in the Chicago, Illinois, Marketing Area

§ 941.0 *Findings upon the basis of the hearing record.* Pursuant to Public Act No. 10, 73d Congress (May 12, 1933) as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (hereinafter referred to as the "act"), and the rules of practice and procedure covering the formulation of marketing agreements and orders (7 CFR, Supps. 900.1 et seq., 11 F. R. 7737, 12 F. R. 1159, 4904) a public hearing was held upon certain proposed amendments to the tentatively approved marketing agreement and to the order, as amended, regulating the handling of milk in the Chicago, Illinois, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(a) The said order, as amended, and as hereby further amended, and all of the terms and conditions of said order, as amended and as hereby further amended, will tend to effectuate the declared policy of the act;

(b) The prices calculated to give milk produced for sale in said marketing area a purchasing power equivalent to the

purchasing power of such milk as determined pursuant to section 2 and 8 (e) of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supplies of and demand for such milk, and the minimum prices specified in the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The said order, as amended, and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which hearings have been held.

The foregoing findings are supplementary and in addition to the findings made in connection with the issuance of the aforesaid order and the findings made in connection with the issuance of each of the previously issued amendments thereto; and all of said previous findings are hereby ratified and affirmed except insofar as such findings may be in conflict with the findings set forth herein.

Order relative to handling. It is therefore ordered that on and after the effective date hereof, the handling of milk in the Chicago, Illinois, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended, and the aforesaid order, as amended, is hereby further amended as follows:

1. Delete the period at the end of § 941.5 (b) (1), substitute therefor a comma, and add the following: "Provided, That through November 30, 1947, milk (other than that disposed of from routes operated directly from approved plants) which is classified as Class I milk pursuant to § 941.4 (a) (2) shall be classified separately, and the price thereof shall be the basic formula price plus \$1.50."

2. Delete the period at the end of § 941.5 (b) (2), substitute therefor a comma, and add the following: "Provided, That through November 30, 1947, milk (other than that disposed of from routes operated directly from approved plants) which is classified as Class II milk pursuant to § 941.4 (a) (2) shall be classified separately and the price thereof shall be the basic formula price plus \$1.10."

[F. R. Doc. 47-9624; Filed, Oct. 23, 1947; 8:50 a. m.]

CIVIL AERONAUTICS BOARD

114 CFR, Part 2921

CLASSIFICATION, EXEMPTION AND REGULATION OF NONCERTIFICATED INDIRECT CARGO CARRIERS

NOTICE OF PROPOSED ADDITION TO REGULATIONS

OCTOBER 15, 1947.

In accordance with section 4 (a) of the Administrative Procedure Act, notice is hereby given that the Civil Aeronautics Board has under consideration the proposed addition to the Economic Regulations of a § 292.6, establishing a classification of air carriers to be designated as "noncertificated indirect cargo carriers".

The proposed § 292.6 sets forth the terms, conditions and limitations under which such carriers may engage in the indirect air transportation of property only in interstate, overseas and foreign commerce. This regulation is proposed under the authority of sections 1 (2) and 205 (a) of the Civil Aeronautics Act of 1938, as amended (secs. 1 (2), 205 (a) 52 Stat. 977, 934; 49 U. S. C. 401 (2), 425).

Interested persons may participate in the making of the proposed regulation by submitting comments in writing. Communications should be addressed to the Secretary, Civil Aeronautics Board, Washington 25, D. C., for receipt not later than November 17, 1947.

In order to facilitate understanding of the principal purposes of the proposed regulation, the following explanatory statement is offered:

An indirect cargo carrier, in general, may be considered as one which holds out to the public that it will undertake to transport property by air for compensation although such carrier does not itself physically operate aircraft but utilizes the services of some other person to move the property from origin to destination.¹ Such an air carrier may, under the provisions of the regulation, deliver property for transportation by air to certificated air carriers, noncertificated air carriers holding effective letters of registration under §§ 292.1 or 292.5 of the Economic Regulations, Alaskan air carriers and carriers operating pursuant to foreign air carrier permits. It will be noted that the effect of such provision is to restrict an indirect cargo carrier from utilizing the services of carriers other than common carriers.

Although exempted from the requirement of obtaining a certificate of public convenience and necessity, as provided for by section 401 of the Civil Aeronautics Act, indirect cargo carriers are subjected to a considerable measure of economic regulation under other provisions of Title IV of the act, including section 403, governing the filing of tariffs, and section 407, concerning accounts and reports. Further, such carriers must also register with the Board and hold effective letters of registration which are subject to suspension and revocation and are non-transferable. Carriers applying for a letter of registration within 60 days from the effective date of the proposed regulation, may operate pursuant to the regulation pending action by the Board on such application. It should be noted, however, that indirect cargo carriers are required to comply with the regulation and the applicable provisions of the act, after the effective date of the regulation, and such compliance is not contingent upon issuance of a Letter of Registration.

The exemptions accorded this class of air carriers would be only temporary, and unless sooner terminated by Board order, will expire 60 days after final Board action in the pending proceeding known as the Freight Forwarder Case, Docket No. 681, et al.

¹ Such indirect carriers are frequently referred to, in popular parlance, as "Freight Forwarders."

¹ This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders have been met.

Proposed addition of § 292.6 to the Economic Regulations:

§ 292.6 *Noncertificated indirect cargo carriers*—(a) *Applicability*. This section shall not apply to any air carrier authorized by a certificate of public convenience and necessity to engage in air transportation or to any noncertificated air carrier engaged in air transportation pursuant to special or individual exemption by the Board or pursuant to exemption created by any other section of the Economic Regulations.

(b) *Classification*. There is hereby established a classification of noncertificated air carriers to be designated as "noncertificated indirect cargo carriers." A noncertificated indirect cargo carrier shall be defined to mean any noncertificated air carrier which indirectly engages in interstate, overseas or foreign air transportation of property only.

(c) *Exemptions*. Except as otherwise provided in this section, noncertificated indirect cargo carriers shall be exempt from all provisions of Title IV of the Civil Aeronautics Act of 1938, as amended, other than the following:

(1) Section 401 (1) (Compliance with Labor Legislation),

(2) Section 403 (Tariffs)

(3) Section 404 (a) (Carrier's duty to provide service, etc.) only in so far as said subsection requires air carriers to provide safe service, equipment and facilities in connection with air transportation, and to establish, observe and enforce just and reasonable individual rates, fares and charges, and just and reasonable classifications, rules, regulations and practices relating to air transportation;

(4) Section 404 (b) (Discrimination)

(5) Section 407 (a) (Filing of reports) *Provided*, That no provision of any rule, regulation, term, condition or limitation prescribed pursuant to said section 407 (a) shall be applicable to Noncertificated Indirect Cargo Carriers unless such rule, regulation, term, condition or limitation expressly so provides;

(6) Section 407 (b) (Disclosure of stock ownership)

(7) Section 407 (c) (Disclosure of stock ownership by officers or directors)

(8) Section 407 (d) (Form of accounts) *Provided*, That no provision of any rule, regulation, term, condition or limitation prescribed pursuant to said section 407 (d) shall be applicable to Noncertificated Indirect Cargo Carriers unless such rule, regulation, term, condition or limitation expressly so provides;

(9) Section 407 (e) (Inspection of accounts and property)

(10) Section 409 (a) (Interlocking relationships)

(11) Section 409 (b) (Profit from transfer of securities)

(12) Section 410 (Loans and financial aid)

(13) Section 411 (Methods of competition)

(14) Section 412 (Pooling and other agreements),

(15) Section 413 (Form of control),

(16) Section 414 (Legal restraints),

(17) Section 415 (Inquiry into air carrier management), and

(18) Section 416 (Classification and exemption of carriers)

(d) *Duration of exemption*. Unless sooner terminated by order of the Board, the exemptions provided in this section shall apply to noncertificated indirect cargo carriers only until 60 days after the Board shall have made final disposition of the pending proceeding known as the Freight Forwarder Case, Docket No. 681, et al.

(e) *Limitation of exemption*. In respect of operations conducted pursuant to the exemptions provided in this section no noncertificated indirect cargo carrier shall deliver property for transportation by air to any person except (1) Alaskan air carriers, (2) irregular air carriers utilizing small aircraft (as defined in paragraph (c) (2) of § 292.1 of the Economic Regulations) or (3) air carriers or foreign air carriers whose tariffs for the transportation services thus utilized have been duly filed with the Board.

(f) *Effect on other statutes*. The exemption hereinabove granted from the provisions and requirements of section 408 shall not constitute an order made under such section, within the meaning of section 414, and shall not confer any immunity or relief from operation of the "antitrust laws" or any other statute (except the Civil Aeronautics Act of 1938, as amended) with respect to any transaction otherwise within the purview of such section.

(g) *Registration for exemption*—(1) *Letter of registration required*. From and after 60 days after the effective date of this section no noncertificated indirect cargo carrier may engage in any form of air transportation unless there is then outstanding and in effect with respect to such air carrier, a letter of registration issued by the Board: *Provided*, That if any noncertificated indirect cargo carrier, otherwise authorized to engage in air transportation pursuant to this section, shall file with the Board within 60 days after the effective date of this section an application for a letter of registration, such applicant may engage in such air transportation until such letter has been issued, or such applicant has been notified that it appears to the Board that such applicant is not entitled to the issuance of such letter.

(2) *Issuance of letter of registration*. Upon the filing of proper application therefor, the Board shall issue, to any noncertificated indirect cargo carrier, a letter of registration which, unless otherwise sooner rendered ineffective, shall expire and be of no further force and effect, upon a finding by the Board that enforcement of the provisions of section 401 (from which exemption is provided in this section) would be in the public interest. Such application shall be certified to by a responsible official of such

carrier as being correct, and shall contain the following information: (i) Date; (ii) name of carrier; (iii) mailing address; (iv) location of principal office; (v) if a corporation, the place of incorporation, the name and citizenship of officers and directors, the name and address of each stockholder owning beneficially more than 5 per centum of the voting interest, and a statement that at least 75 per centum of the voting interest is owned or controlled by persons who are citizens of the United States or one of its possessions; (vi) if an individual or partnership, the name and citizenship of owners or partners. Such application shall be submitted in triplicate in letter form.

(3) *Non-transferability of letter of registration*. A letter of registration shall be non-transferable and shall be effective only with respect to the person named therein.

(4) *Suspension of letter of registration*. Letters of registration shall be subject to immediate suspension when, in the opinion of the Board, such action is required in the public interest.

(5) *Revocation of letter of registration*. Letters of registration shall be subject to revocation, after notice and hearing, for knowing and willful violation of any provision of the Civil Aeronautics Act of 1938, as amended, or of any order, rule or regulation issued under any such provision or of any terms, condition or limitation of any authority issued under said act or regulations.

(h) *Reporting requirement*. For the calendar quarter ending December 31, 1947, and for each succeeding calendar quarter, each noncertificated indirect cargo carrier shall, within 30 days after termination of such calendar quarter, submit the following data certified correct by a responsible officer of the reporting carrier:

(1) Balance sheet, prepared in accordance with accepted practices.

(2) Profit and loss statement, with a separation of expense items so as to indicate payments to direct air carriers.

(3) Statistical data:

(i) Number of shipments received from shippers for carriage by air.

(ii) Number of shipments consigned to carriers by air.

(iii) Number of tons consigned for shipment by:

(a) Air carriers

(b) Surface carriers

(4) Station data:

(i) List by individual stations:

(a) Number of personnel. (1) Selling; (2) operating; (3) administrative and other.

(b) Number of tons received from shippers for carriage by air.

(Secs. 1 (2) 205 (a) 52 Stat. 977, 984; 49 U. S. C. 401 (2), 425)

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 47-9857; Filed, Oct. 28, 1947;
8:48 a. m.]

INTERSTATE COMMERCE COMMISSION

[49 CFR, Part 323]

UNIFORM SYSTEM OF ACCOUNTS FOR MARITIME CARRIERS

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the Interstate Commerce Commission has under consideration, pursuant to the authority of section 20 of Part I and section 313 of Part III of the Interstate Commerce Act, as amended, the matter of a uniform system of accounts for maritime carriers as hereinafter proposed.

All interested persons may submit written data, information, or arguments relating to this matter, which material will be given consideration if it is filed with the Commission's Secretary at Washington, D. C., on or before November 15, 1947.

[SEAL]

W. P. BARTEL,
Secretary.

PART 323—UNIFORM SYSTEM OF ACCOUNTS FOR MARITIME CARRIERS

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323.00	Order of the Commission when system of accounts is prescribed.
323.01	Abstract from law; authority for uniform system of accounts.
323.02	Classification of carriers.

GENERAL INSTRUCTIONS

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323.0-2	Records.
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323.0-4	Delayed items.
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323.0-6	Submission of questions.
323.0-7	Terminated voyages.
323.0-8	Depreciation accounting.

GENERAL BALANCE SHEET INSTRUCTIONS

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BALANCE-SHEET ACCOUNTS

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323.129	Accrued accounts receivable.
323.130	Reserve for doubtful accounts.
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SPECIAL FUNDS

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323.146	Special reserve fund.
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CONDENSED REVENUE ACCOUNTS

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OPERATING-EXPENSE INSTRUCTIONS

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PROPOSED RULE MAKING

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323.410	Insurance; hull and machinery.
323.411	Insurance; protection and indemnity.
323.412	Insurance; other.
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323.454	Stores, supplies, and equipment.
323.457	Fuel.
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SPECIAL NOTE: In the proposed regulations to be issued as Part 323 of this chapter the numbers assigned to sections thereof include, as whole numbers following the decimal point, the numbers of the prescribed accounts. Where references throughout the regulations are to an account, as such, only the account number portion of the section reference is used: For example: Account 100, "Cash," may be mentioned in the instructions or in the text of another account, and will be found as § 323.100 under balance-sheet accounts. Sections devoted to instructions, as distinguished from the texts of the prescribed accounts, are designated § 323.0 with the prescribed instruction numbers appearing as subnumbers following a dash.	
§ 323.01 <i>Abstract from law; authority for uniform system of accounts.</i> This "Uniform System of Accounts for Maritime Carriers" will be prescribed under parts I and III of the Interstate Commerce Act, of which section 313 (c) of part III reads as follows:	

The Commission may, in its discretion, for the purpose of enabling it the better to carry out the purposes of this part, prescribe a uniform system of accounts applicable to any

class of water carriers, and a period of time, within which such class shall have such uniform system of accounts, and the manner in which such accounts shall be kept.
NOTE: For comparable provisions, under part I, see section 20 (3).

§ 323.02 *Classification of carriers.* For the purpose of this system of accounts, maritime carriers are divided into two classes as follows:

Class A. Companies having average annual operating revenues exceeding \$500,000.

Class B. Companies having average annual operating revenues exceeding \$100,000 but not more than \$500,000.

Class A companies shall keep all of the accounts of this system of accounts which are applicable to their affairs.

Class B companies shall keep all of the accounts of this system of accounts which are applicable to their affairs, except that their accounts for operating revenues and operating expenses may be kept under the accounts of the condensed classification provided herein.

No uniform system of accounts has been prescribed for companies having average annual operating revenues of \$100,000 or less.

NOTE: Maritime carriers subject to these regulations shall adopt the class of operating accounts indicated by the average of their annual operating revenues for 3 years immediately preceding the effective date of this uniform system of accounts. If subsequently at the close of any calendar year the average of such annual revenues for the 3 latest years is more or less than the amount applicable to the class in which the carrier has been accounting, the appropriate class of operating accounts based on such average shall be adopted. New companies shall estimate the amount of their annual operating revenues and adopt the class of operating accounts appropriate for the amount of such estimated revenues.

GENERAL INSTRUCTIONS

§ 323.0-1 *Definitions.* When used in this system of accounts:

"Actually issued" as applied to securities issued or assumed by the carrier means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property) under the condition that the purchaser secured them free from all control by the issuing carrier; also securities issued as dividends on stock.

"Actually outstanding" as applied to securities issued or assumed by the carrier means those which have been "actually issued" and are neither retired nor held by the carrier.

"Additions" means structures, facilities, or equipment added to those in service and not replacing property or equipment previously in service.

"Affiliated companies" means companies or persons that directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting carrier.

NOTE: Where reference is made to control (in referring to a relationship between any person or persons and another person or persons), such reference shall be construed to include actual as well as legal control, whether maintained or exercised through or by reason of the method of or circumstances surrounding organization or operation,

through or by common directors, officers, or stockholders, a voting trust or trusts, a holding or investment company or companies, or through or by any other direct or indirect means; and to include the power to exercise control.

"Book cost" means the amount at which assets are recorded in the accounts of the carrier without deduction of any related reserves. If the book cost of property retired cannot be definitely determined from the carrier's records, it shall be estimated.

"Contingent assets" means a possible source of value to the carrier dependent upon the fulfillment of conditions regarded as uncertain.

"Contingent liability" means items which may, under certain conditions, become obligations of the carrier, but which are neither direct nor assumed liabilities at the date of the balance sheet.

"Cost" means the amount of money actually paid for property or services, or the cash value at the time of the transaction of any consideration other than money.

"Cost of removal" means the cost of demolishing, dismantling or otherwise disposing of transportation property and recovering the salvage.

"Current assets" means cash, as well as those assets that are readily convertible into cash or are held for current operation, and other amounts accruing to the carrier and subject to settlement within one year from date of balance sheet.

"Current liabilities" means those obligations the amounts of which are definitely determined or can be closely estimated and which are either matured at the date of the balance sheet or become due upon demand or within one year from date of issuance or assumption.

"Date of retirement," as applied to transportation property, means the date at which such property is permanently withdrawn from service.

"Debt expense" means all expense in connection with the issuance and sale of evidences of long-term debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness and other evidences of debt; fees paid trustees; specific cost of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing evidences of debt; fees and expenses of listing on exchanges; and other like costs.

"Delayed items" means items relating to transactions which occurred before the current calendar year; also adjustments of errors in the income, operating revenue, and operating expense accounts of prior years.

"Depreciation" means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of physical property in the course of service from causes against which the carrier is not protected by insurance, which are known to be in current operation, and whose effect can be forecast with a reasonable approach to accuracy.

Note A: "Unit plan" means the plan under which depreciation charges are computed and the records maintained so that the total amount of depreciation accruals applicable to each unit can be determined.

"Discount," as applied to securities issued or assumed by the carrier, means the excess of the par or face value of the securities, plus interest or dividends accrued to the date of the sale, over the cash value of the consideration received from the sale.

"Fixed improvements" means buildings, wharves, docks, and other structures attached to the land, including appurtenances, machinery, and fixtures.

"Minor items" means the associated parts or elements of which units of property are composed.

"Nominally issued," as applied to securities issued or assumed by the carrier, means those which have been signed, certified, or otherwise executed and placed with the proper officer for sale or pledge or otherwise placed in some special fund of the carrier, but which have not been sold.

"Nominally outstanding," as applied to securities issued or assumed by the carrier, means those which have been actually issued and required by or for the carrier under circumstances requiring that they be held alive and not retired.

"Nonaffiliated companies" means all companies other than those defined as affiliated companies.

"Nonshipping property" means property neither used in nor held for transportation service.

"Premiums," as applied to securities issued or assumed by the carrier, means the excess of the cash value of the consideration received at their sale over the sum of their par or face value plus interest or dividends accrued to the date of sale.

"Property retired" means physical property which has been permanently withdrawn from transportation service.

"Replacement" means the acquisition or construction of physical property in substitution of property which has been retired.

"Salvage value" means the amount received for property retired, less any expenses incurred in connection with its sale or preparing it for sale; or, if retained, the amount at which the material recovered is chargeable to material and supplies.

"Service life" means the period between the date when transportation property is placed in service and the date of its retirement.

"Service value" means the book cost of property retired plus the cost of dismantling, removal, and recovering the salvage, less the value of the salvage.

"Straight-line method," as applied to depreciation accounting, means the plan under which the service value of depreciable property is charged to depreciation expenses and credited to the depreciation reserve through equal periodic charges as nearly as may be estimated during its service life.

"Transportation property" means property which is used by the carrier in the conduct of its shipping operations.

"Unit of property" means any item of physical property included in the "list of accounting units" in § 323.0-8.

§ 323.0-2 *Records.* The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries in its accounts.

Where the general book entries do not contain complete information, they shall be supported by other detailed records, cross-referenced for ready identification.

All records shall be filed in such manner as to be readily accessible for examination by representatives of the Commission.

The Commission's order specifying the records which may be destroyed and prescribing the length of time records shall be preserved is contained in its "Regulations to Govern the Destruction of Records of Carriers by Water."

All accounts kept shall conform in number and title to those prescribed herein, except that the titles of subsidiary accounts may refer by number or title only to the accounts of which they are subdivisions.

Any account included in this system may be subdivided if such additional accounts or subaccounts do not impair the integrity of the accounts or records prescribed herein.

When subsidiary accounts are kept, it is not required that the main accounts of which they are subdivisions shall also be kept by the carrier.

All maritime carriers or lessors subject to the provisions of the Interstate Commerce Act, or any receiver or operating trustee of such carrier or lessor during the 12 months from the time this system of accounts becomes effective, in addition to the accounts prescribed herein, may keep and maintain as side records such groupings of the primary accounts prescribed, or such portions of their present accounts as may be desirable to maintain a basis of comparison with previous years.

Clearing accounts may be kept when necessary or useful in making the proper distribution of items to the appropriate primary accounts.

As of the effective date of this system of accounts, the accounts prescribed herein shall be opened by appropriately transferring the balances carried in the accounts previously maintained. The carrier is authorized to make such subdivisions, reclassifications, or consolidations of previous balances as may be necessary to meet the requirements of this system of accounts.

The accounts for each month shall be recorded currently so that all transactions applicable to each month, as nearly as may be ascertained, shall be entered in the books of the carrier. Each carrier and lessor shall close its books as of the end of the calendar year.

§ 323.0-3 *Unaudited items.* When it is known that a transaction has occurred which affects operating revenues, operating expenses, or income, but the amount involved and its effect upon the accounts cannot be determined with absolute accuracy, the amount thereof shall be estimated and included in the appropriate operating or income and balance-sheet

accounts. Any such estimate shall be revised whenever and at the time a substantial change is indicated and shall be finally adjusted as soon as the exact amount is determined. The carrier is not required to anticipate items which would not appreciably affect the operating or income accounts.

Any change in practice of accounting for accruals or any unusual accruals involving substantial amounts shall be reported promptly to the Commission. Accruals shall not be recorded for purely speculative items, but shall be limited to reasonable estimates on reliable information of transactions that will be consummated.

§ 323.0-4 Delayed items. Delayed items and adjustments, except adjustments of the depreciation reserve, arising during the current year which are applicable to prior accounting periods, shall be included in the same account which would have been debited or credited if the item had been recorded or adjusted in the period to which it pertained. When the net amount of the delayed items is relatively so large that its inclusion in the appropriate accounts of the current year would seriously distort revenues, expenses, or income of the year, the amounts may be included in the accounts in income provided for delayed income debits or credits.

§ 323.0-5 Interpretations of item lists. Lists of items appearing in the texts of the several accounts are given for the purpose of indicating the application of the prescribed accounting rules. The lists are not complete, but merely representative. On the other hand, the appearance of an item in a list does not warrant the inclusion of such item in the account concerned unless the text of the account also indicates inclusion, as the same item frequently appears in more than one list. The proper entry in each instance shall be determined by the texts of the accounts.

§ 323.0-6 Submission of questions. To promote and maintain uniformity of accounting, carriers shall submit all questions of doubtful interpretation of the accounting regulations to the Commission for consideration and decision.

§ 323.0-7 Terminated voyages. The carrier shall keep its records in such manner that it can report with respect to operating revenue, operating expense, and other accounts affected, the revenues accruing and the expenses incurred for each terminated voyage of its vessels operated in line service, except that for vessels where the voyages are for short periods the accounts may be kept by the month for each vessel.

The revenues and expenses for uncompleted voyages or periods, included in unterminated voyage accounts, shall be recorded in such detail that the operating revenue, operating expense, or other accounts affected may be transferred from the unterminated voyage accounts to the appropriate revenue, expense, and other accounts involved.

§ 323.0-8 Depreciation accounting. If the carrier is not subject to the provisions of section 607 (b) or 607 (c) of the Merchant Marine Act of 1936, it shall file with the Commission component annual

percentage rates estimated to be applicable to the book cost of each unit or class of similar units of depreciable property owned or operated by it. These percentage rates shall be based upon the estimated service values and service lives developed by a study of the carrier's history and experience and such engineering and other information as may be available with respect to future conditions.

A separate component annual percentage rate for each unit or class of similar units of depreciable property shall be used in computing depreciation charges. Such component rates shall be those which are from time to time prescribed by the Commission, except that where rates for any class of property have not been prescribed, the carrier's estimate of such rates computed in accordance herewith shall be used.

All depreciation charges to operating expenses and concurrent credits to the depreciation reserve shall be computed in accordance with the unit plan of accounting for depreciation. Depreciation charges shall be recorded monthly and shall be such that the loss in service value may be distributed under the straight-line method during the estimated service life of depreciable property. In computing monthly charges, the annual percentage rates shall be applied to the book cost of the units of depreciable property as of the first of each month and the result divided by twelve.

The classes of depreciable property are as follows:

- Account 165. Floating equipment—Vessels.
- Account 166. Other floating equipment.
- Account 167. Buildings and other structures.
- Account 168. Office, terminal, and other equipment.
- Account 169. Highway vehicles.

In the event the annual percentage rates prescribed by the Commission in the judgment of the carrier are no longer applicable, it shall file revised rates which in its judgment should be established. Where property is acquired for which rates have not been prescribed, the carrier shall compile and submit appropriate estimates developed in accordance herewith.

At the time of retirement of depreciable property from service, the entire amount of depreciation accrued and included in the depreciation reserve with respect to the unit or units retired shall be charged thereto and any difference between the total amount of accruals charged to the depreciation reserve applicable to the unit retired and the service value of such unit, less any insurance recovered, shall be included in account 498, "Depreciation adjustment."

If as a result of unforeseen retirements or excessive accruals, the net balance in the reserve becomes inadequate or excessive, the carrier may, with the approval of the Commission, adjust the reserve by charges to account 786, "Miscellaneous debits," or credits to account 783, "Miscellaneous credits," as may be appropriate.

In case the amount received for a unit of depreciable property sold or the amount of insurance recovered exceeds

the book cost of the unit retired, such excess shall be credited to account 782, "Credits from property and equipment retired."

The carrier shall keep such records of property retirements as will reflect the service life of property retired or will permit the determination of service-life indications by mortality, turn-over, or other appropriate methods; also such records as will reflect the percentage of value of the salvage recovered from depreciable property retired. The carrier shall be prepared to compute and submit revised percentage rates when the rates prescribed are deemed inapplicable.

LIST OF ACCOUNTING UNITS OF PHYSICAL PROPERTY ESTABLISHED FOR RETIREMENT PURPOSES

The following list of units of property and equipment is established for the purpose of designating the units of physical property in each depreciable account, the book cost of which, if not less than \$500, shall be credited to the appropriate property account at time of retirement. The replacement of items of property costing less than \$500 shall be charged to operating expenses and no adjustment of the property account is required. Upon application to the Commission a minimum lower than \$500 may be authorized.

The book cost of all property retired and not replaced shall be credited to the appropriate property accounts.

ACCOUNT 165. FLOATING EQUIPMENT—VESSELS

A barge, canal boat, ferry boat, lighter, motor ship, motor launch, power boat, power ship, sailing vessel, steamboat, steamship, tug boat, or other complete unit of floating equipment.

A complete hull without propulsion power, A complete propulsion engine, boiler, motor, or generator.

ACCOUNT 166. OTHER FLOATING EQUIPMENT

A barge, car, or other float, ferry boat, lighter, motor launch, transfer boat, tug boat, or other complete unit of floating equipment with or without propulsion power.

A complete propulsion engine, boiler, motor, or generator.

A complete derrick, dredge, or pile driver.

ACCOUNT 167. BUILDING AND OTHER STRUCTURES

A complete building.

A complete platform not an integral part of a building. Complete paving at a terminal.

A complete fence.

A complete heating, lighting, ventilating, water-supply air-conditioning, plumbing, or drainage system.

A complete elevator system.

A motor, generator, steam engine, pump, air washer, machine tool, or similar item of equipment.

A fuel station.

A refrigerator plant.

A section of track.

A complete toilet-room equipment.

A complete slip.

A complete wharf.

A ferry bridge.

A float bridge.

A complete unit of machinery for transferring and handling freight.

ACCOUNT 168. OFFICE, TERMINAL, AND OTHER EQUIPMENT

Any article of furniture, office appliance, engineering instrument or other complete unit of equipment costing \$500 or more.

ACCOUNT 169. HIGHWAY VEHICLES

A complete vehicle.

A motor.

A trailer.

A semitrailer.

GENERAL BALANCE SHEET INSTRUCTIONS

§ 323.0-11 *Purpose of balance-sheet accounts.* The balance-sheet accounts are intended to disclose the financial condition of the carrier as of a given date by showing the assets, liabilities, capital stock, and surplus (or deficit) of the carrier.

§ 323.0-12 *Current assets.* In the group designated as current assets shall be included cash, those assets which are readily convertible into cash or held for current use in operation, current claims against others, and amounts accruing to the carrier which are subject to current settlement.

§ 323.0-13 *Book cost of securities owned.* Securities of others acquired by the carrier shall be included in the accounts at cost at the time of acquisition, excluding amounts paid for accrued interest or dividends.

Securities shall be written down to a nominal value or written off if there is no reasonable prospect of substantial value. Fluctuations in the market need not be recorded, but permanent impairment in the value of securities shall be recognized in the accounts or a reserve may be provided against a decline in value by charges to account 786, "Miscellaneous debits."

§ 323.0-14 *Company securities reacquired.* Securities actually issued or assumed by the carrier and reacquired shall be either retired or if not retired, shall be carried in account 197, "Reacquired and nominally issued capital stock," or account 196, "Reacquired and nominally issued long-term debt," unless it is required that funded debt securities be held alive in sinking or other funds. Reacquired funded debt not retired shall be shown at its par or face value and reacquired capital stock not retired at the amount at which carried in the capital stock account.

§ 323.0-15 *Income from sinking and other special funds.* When interest or other income arising from funds is required by mortgage or other provisions to be held in the fund, the amounts shall be charged to the appropriate fund. Such additions to the funds shall be credited to account 605, "Income from sinking and other reserve funds," and concurrently charged to account 633, "Miscellaneous reservations of income," with credit to account 298, "Earned surplus—Appropriated."

§ 323.0-16 *Discount, expense, and premium on capital stock.* Separate ledger accounts shall be kept in which to record discount suffered, expense incurred, and premium realized at the sale of each class of capital stock issued or assumed by the carrier; also in which to record general levies or assessments against stockholders for each class of capital stock against which levies or assessments are made.

The debit balances in these ledger accounts shall be included in account 293, "Discount and expense on capital stock," and the credit balances in account 292, "Premiums and assessments on capital stock."

Discount, commissions, and expense on capital stock may be amortized by charges to account 631, "Miscellaneous amortization," or it may be retained and carried in account 293, "Discount and expense on capital stock," until the particular stock to which it applies is reacquired. Premiums and assessments shall be carried in account 292, "Premiums and assessments on capital stock," until the particular stock to which it applies is reacquired.

When an issue of capital stock or any part thereof is reacquired, the amount at which it is carried in account 290, "Capital stock," shall be charged to account 197, "Reacquired and nominally issued capital stock," or to the appropriate fund account if required to be retained alive in a sinking or other fund and the difference between its cost and the amount at which it is carried in account 290, "Capital stock," combined with any recorded premiums and assessments or discount, commission, and expenses in respect to such reacquired stock, shall be included in account 296, "Paid-in surplus." *Provided, however,* That the excess of a debit over the amount of accumulated net gains applicable thereto included in paid-in surplus shall be charged to account 786, "Miscellaneous debits."

If reacquired stock is retired, it shall be charged to account 290, "Capital stock," and credited to the appropriate asset account in which recorded.

If reacquired capital stock is resold, the difference between the amount at which such stock is recorded in the accounts and the net sale price realized from its sale, shall be included in account 296, "Paid-in surplus," except that debits to that account shall be limited to the accumulated credits therein applicable to that particular class of stock, and any excess shall be charged to account 786, "Miscellaneous debits."

§ 323.0-17 *Discount, premium, and expense on long-term debt.* Separate ledger accounts shall be maintained in which to include discount suffered, premium realized, and expense incurred in connection with the sale or resale of each class and series of long-term debt issued or assumed by the carrier.

In stating the balance sheet, if the net of the ledger accounts for all classes of long-term debt outstanding is a debit balance, the amount shall be included in account 193, "Debt discount and expense," and if a credit balance in account 278, "Premium on funded debt."

Each month there shall be credited to the appropriate account a proportion (based on the ratio of the period to the remaining life of the respective securities) of the discount and expense on long-term debt. Amounts thus credited shall be charged to account 630, "Amortization of discount on long-term debt." Likewise, each month there shall be charged to the appropriate ledger account a corresponding proportion of the premium on long-term debt, which shall be credited to account 608, "Release of premium on long-term debt."

Except as provided in the foregoing paragraph, the balance in each account shall be carried until the reacquisition

of securities to which it relates, at which time the proportion (based on the ratio of the amount reacquired to the total amount outstanding) of the balance in the account for the particular class of long-term debt reacquired shall be included in account 783, "Miscellaneous credits," or account 785, "Miscellaneous debits," as may be appropriate.

§ 323.0-18 *Conversion of securities.* Journal entries which record the reacquisition of capital stock or funded debt securities by issuing in exchange the carrier's capital stock or funded debt shall be submitted to the Commission for approval before being recorded upon the carrier's books.

§ 323.0-19 *Contingent assets and liabilities.* Contingent assets and liabilities shall not be included in the accounts, but such records shall be kept as will enable the carrier to report all items of significant amount.

§ 323.0-20 *Reorganizations.* Where a carrier involved in receivership or bankruptcy is so reorganized as to preserve in whole or in part the interest of its owners and creditors, whether through the owning corporation, or a successor corporation, or is a company resulting from reorganization of a carrier in any other manner, and such carrier or company emerges from such reorganization as the owner of investments, it shall at the time of recording such investment on its books include in account 176, "Acquisition adjustment," the net difference between the totals of its asset and liability accounts as those accounts are properly adjusted under the reorganization plan.

The carrier shall apply to the Commission for permission to use that account, so far as it is adequate, for adjustment of differences between amounts originally recorded with respect to such investments and the values as finally determined; and earned surplus shall be affected only by losses and gains clearly attributable to operations subsequent to date of reorganization.

BALANCE-SHEET ACCOUNTS

CURRENT ASSETS

§ 323.100 *Cash.* This account shall include the amount of current funds available for use on demand in the hands of financial officers and agents or deposited in banks or trust companies including cash in transit for which agents or others have received credit.

If the withdrawal of any portion of the cash recorded in this account is restricted for any purpose except the usual time limit for savings accounts, the balance sheet must carry an appropriate notation to that effect.

§ 323.103 *Imprest funds.* This account shall include cash funds maintained at fixed amounts to be used in making change or in the nature of revolving funds for minor disbursements requiring immediate payment, the funds being regularly reimbursed from the general cash.

It shall not include advances to agents, employees, or others.

§ 323.105 *Special cash deposits.* This account shall include the amounts of cash on special deposit (other than in special funds or deposits as elsewhere provided) for the payment of dividends, interest, and other debts of a current nature, when such payments are due one year or less from date of deposit; also amounts of cash deposited to insure the performance of contracts to be performed within one year from date of deposit; and other cash deposits of a special nature not provided for elsewhere.

This account shall also include cash realized from the sale of the carrier's securities and deposited with trustees to be held until disbursed for the purpose for which the securities were sold: *Provided*, That cash held for such purposes, including cash held for redemption of securities, shall be included in the appropriate special fund unless the liability for the disbursement is included under current liabilities.

Cash on deposit in special bank accounts where the funds are available for current requirements shall be included in account 100, "Cash."

§ 323.110 *Marketable securities.* This account shall include the cost of government and other readily marketable securities acquired for the purpose of investing cash, such as demand and time loans, certificates of deposit, bankers' acceptances, United States Treasury bills, and other marketable securities readily convertible into cash.

Securities issued or assumed by the carrier shall not be included in this account.

Investment in securities of other companies shall be included in the appropriate investment account unless such securities were purchased for sale and have been held less than one year.

§ 323.115 *Notes receivable.* This account shall include the book cost not includible elsewhere of all collectible obligations in the form of notes receivable, or other similar evidences (except interest coupons) of money receivable on demand or within one year from date of issue. Notes receivable from affiliated companies subject to current settlement shall be included in account 116, "Affiliated companies—Notes and accounts receivable."

§ 323.116 *Affiliated companies; notes and accounts receivable.* This account shall include the amounts receivable from affiliated companies which are subject to current settlement, such as balances in open accounts for services rendered, materials furnished, traffic and interline accounts, rents for use of property, and similar items; also interest, dividends, loans, notes, and drafts for which affiliated companies are liable.

§ 323.118 *Subscriptions to capital stock.* This account shall include demand or short-term notes receivable representing subscriptions to capital stock. Concurrently, there shall be credited to account 291, "Capital stock subscribed," the par value or the agreed purchase price of the stock subscribed. Appropriate entries shall be made with respect to discount or premium. Payments made

by subscribers shall be credited to this account.

§ 323.120 *Accounts receivable; traffic.* This account shall include amounts due from shippers, consignees, connecting or interline carriers, and others (excluding affiliated companies) arising from and incident to the carriage of passengers, baggage, freight, express, and mail.

Amounts due from agents with whom arrangements are made to use revenue collections to pay voyage expenses shall be included in account 122, "Agents and branch houses."

§ 323.121 *Claims receivable.* This account shall include claims transferred from account 180, "Claims pending," including insurance claims which have been compiled and presented to underwriters for collection, and other adjusted claims collectible within one year.

§ 323.122 *Agents and branch houses.* This account shall include all current transactions with agents and branch houses of the carrier. This account shall be charged with cash advances to agents and branch houses, and with freight and other voyage revenue collectible by the agent or branch house in instances where arrangements are made with them to pay voyage expenses. Revenues collectible by agents who are required to remit in full shall be included in account 120, "Accounts receivable—Traffic." This account shall be credited with remittances by agents and branch houses, and with approved disbursements made for the account of the carrier.

§ 323.125 *United States Maritime Commission; accounts receivable.* This account shall include operating differential subsidy accruals, charter hire, and compensation under operating or charter agreements, and all other current receivables arising from transactions between the carrier and the United States Maritime Commission.

§ 323.128 *Accounts receivable; miscellaneous.* This account shall include amounts due in current accounts from others (except affiliated companies) for material and supplies, services rendered, transportation and other charges, use of property, public authorities, and collectible judgments.

This account shall not include net balances representing traffic and interline accounts nor net balances due from agents with whom arrangements are made to use revenue collections to pay voyage expenses.

Amounts advanced to masters, pursers, and agents as working funds shall be included in account 192, "Working advances."

§ 323.129 *Accrued accounts receivable.* This account shall include the amount of interest receivable to the date of the balance sheet on interest-bearing obligations, the amount of dividends receivable on stocks, the amount of rents receivable, and all other unaudited current items receivable accrued to the date of the balance sheet.

No amounts representing interest, dividends, or rents receivable shall be included in this account unless collection

thereof is reasonably assured by past experience, anticipated provisions, or otherwise.

No dividends or other returns on securities issued or assumed by the carrier shall be included in this account.

Interest, dividends, and rents receivable from affiliated companies shall be included in account 116, "Affiliated companies—Notes and accounts receivable."

§ 323.130 *Reserve for doubtful accounts.* This account shall be credited with current estimates of uncollectible accounts receivable. It shall be charged with amounts determined to be uncollectible. Amounts written off as uncollectible and later collected shall be credited to this account. The estimates shall be adjusted at the end of the year to conform to the carrier's experience, as determined by an analysis of all current receivables.

§ 323.135 *Inventories; material and supplies.* This account shall include the cost, less cash and other discounts, of all unissued and unapplied material and supplies, articles in process of manufacture by the carrier, fuel, tools, stationery, commissary, vessel, terminal, and other supplies, but excluding fuel, stores, and supplies on board vessels, and spare parts includible in account 181, "Spare parts."

The costs chargeable to this account are the actual cash costs of the material and supplies at point of free delivery, plus custom duties, excise and other taxes, insurance, inspection, special tests, loading and unloading, and transportation charges paid for transporting the material from the free point of delivery to the carrier's line.

Amounts paid for containers, which are refundable if containers are returned, shall be charged to this account until refund is collected. It is not intended that amounts paid for small containers, such as bottles and other small containers, shall be included in this account, but such containers shall be charged as a part of the cost of the material.

Material recovered in connection with maintenance work or the demolishing of fixed improvements or equipment shall be charged to this account on basis of its value as recovered. When scrap material is sold at a higher or lower price than that at which it was included in this account, the difference shall be adjusted so far as practicable, through the accounts which were credited when the material was recovered or taken into account.

Interest paid on material bills shall be charged to account 629, "Interest on unfunded debt."

An annual inventory of material and supplies shall be taken and the necessary adjustments made to bring this account into harmony with actual inventory balance. In effecting such adjustments, determined differences for important classes of material shall be equitably assigned among the accounts to which such classes are ordinarily chargeable. Other differences shall be equitably apportioned among the primary accounts.

No charge shall be made to this account for the cost of transporting material and supplies when performed by the carrier.

§ 323.138 *Other current assets.* This account shall include the amount of assets of a current nature not includible in any of the foregoing current asset accounts.

§ 323.140 *Unterminated voyage expense.* This account shall include all voyage expenses while voyages are in progress or if voyages are of short duration, for designated periods, when such expenses are held in suspense until the voyage or period has terminated. If the appropriate operating-expense accounts are charged directly with such expenses, the voyage expenses may be recorded in the appropriate operating-expense accounts and at the end of each month the balance relating to voyages not terminated may be transferred to this account and the entry reversed in the succeeding month.

This account shall also include the cost of food, deck, engine, and steward department stores, fuel, and other supplies on board vessels at the beginning of voyages, when inventories are taken at the end of each voyage and charged to the succeeding voyage.

When inventories are not taken at the end of voyages of short duration, the value of stores and supplies issued to vessels shall be charged to the expenses of each accounting period, and no adjustment is required for stores and supplies consumed and on hand, except when an inventory is taken.

SPECIAL FUNDS

§ 323.144 *Capital reserve fund.* This account shall be charged with cash and the cost of securities deposited in such fund, and shall be credited with withdrawals therefrom, in accordance with provisions of section 607 (b) of the Merchant Marine Act, 1936, as amended, and under such rules and regulations as the United States Maritime Commission may require. It shall also include accretions on investments in such fund when retainable therein.

Reacquired securities issued or assumed by the carrier and held alive in such fund shall be considered nominally outstanding.

§ 323.145 *Construction reserve fund.* This account shall be charged with cash and the cost of securities deposited in such fund, and shall be credited with withdrawals therefrom, in accordance with the provisions of section 511 of the Merchant Marine Act, 1936, as amended, and section 112 (b) of the Internal Revenue Code, and other Internal Revenue Acts. It shall also include accretions on investments in such fund when retainable therein.

Reacquired securities issued or assumed by the carrier and held alive in such fund shall be considered nominally outstanding.

§ 323.146 *Special reserve fund.* This account shall be charged with cash and the cost of securities deposited in such fund, and shall be credited with withdrawals therefrom, in accordance with section 607 (c) of the Merchant Marine Act, 1936, as amended, and under such rules and regulations as the United States Maritime Commission may issue.

Reacquired securities issued or assumed by the carrier and held alive in such fund shall be considered nominally outstanding.

§ 323.147 *Insurance funds.* This account shall include cash and the cost of securities on deposit or in the hands of trustees to guarantee the satisfaction for losses where the carrier is a self-insurer in whole or in part.

Reacquired securities issued or assumed by the carrier and held alive in such funds shall be considered nominally outstanding.

§ 323.148 *Debt retirement funds.* This account shall include cash and the cost of securities in the hands of trustees as a sinking fund to meet obligations maturing in the future or to carry out such operations as the retirement of preferred stock or the purchase of bonds.

Reacquired securities issued or assumed by the carrier and held alive in such funds shall be considered nominally outstanding.

§ 323.149 *Other special funds.* This account shall include cash and the cost of securities in the hands of trustees or managers of employees' pension, savings, relief, hospital, and other funds, or any special fund for which no specific account is provided. It shall also include accretions on investments held in such funds, if retainable therein.

Reacquired securities issued or assumed by the carrier and held alive in such funds shall be considered nominally outstanding.

This account shall not include funds held by the accounting company solely as trustee and in which it has no beneficial interest.

§ 323.150 *Special and guaranty deposits.* This account shall include cash and the cost of securities deposited to guarantee the performance of conference and similar agreements; also deposits in lieu of mortgaged property sold, and other trust deposits, to be held until equivalent property is acquired or pending other disposition.

INVESTMENTS

§ 323.155 *Securities of affiliated companies.* This account shall include the cost of securities issued or assumed by affiliated companies other than securities held in special funds or deposits, including investment advances to affiliated companies.

Accounts with affiliated companies which are subject to current settlement shall be classed as current assets or current liabilities, as may be appropriate.

The value of securities borrowed by the accounting company and pledged shall not be included in this account.

§ 323.156 *Other investments.* This account shall include the cost of securities issued or assumed by nonaffiliated companies other than securities held in special funds or deposits, including investment advances to such companies and individuals and miscellaneous investments not provided for elsewhere.

Accounts with nonaffiliated companies which are subject to current settlement

shall be classed as current assets or current liabilities, as may be appropriate.

The value of securities borrowed by the accounting company and pledged shall not be included in this account.

§ 323.157 *Cash value of life insurance.* This account shall include the cash surrender value of life insurance policies under which the carrier is the beneficiary, less the amount of any loans which have been obtained on such policies and not repaid.

§ 323.164 *Reserve for revaluation of investments.* This account shall be credited at the close of each accounting period with amounts necessary to reflect the decline in value of securities and other assets held as investments, where there appears to be a permanent impairment in their value, by contra charge to account 786, "Miscellaneous debits."

If reserve is maintained for specific securities, when such securities are disposed of, the reserve balance in this account applicable to such securities shall be charged hereto. If a general reserve is maintained for all securities, when securities are disposed of, the reserve balance applicable to such securities, but not to exceed the credit balance herein, shall be charged hereto.

PROPERTY AND EQUIPMENT

§ 323.165 *Floating equipment; vessels.* This account shall include the cost of construction or acquisition, including additions and improvements, of vessels used in line service between terminals, and of appurtenances, furniture, and fixtures necessary to equip them for service, including inspection, trial runs, and tests.

EQUIPMENT

Barges.	Power ships.
Canal boats.	Sailing vessels.
Ferry boats.	Steamboats.
Launches.	Steamships.
Lighters.	Tugs.
Motor ships.	

APPURTENANCES, FURNITURE, AND FIXTURES

Aerial attachments.	Kitchen equipment.
Anchors.	Launches.
Ach discharging apparatus.	Life preservers.
Awnings and fixtures.	Life rafts.
Berths.	Life boats.
Boats, life.	Lighting equipment.
Boilers.	Linens.
Boiler foundations.	Machines.
Boiler tubes.	Machine foundations.
Brick, fire.	Masts.
Cables.	Musical instruments.
Covering, floor.	Pantry equipment.
Crockery, china, and glassware.	Plumbing.
Deck fittings and plates.	Propellers.
Dynamoes.	Pumps.
Electric equipment and fixtures.	Refrigerator equipment.
Engines.	Rigging.
Engine foundations.	Rotors.
Fixtures, electric.	Rudders.
Floor covering.	Shafting.
Flooring.	Smoke stacks.
Furniture.	Steam distribution systems.
Galley equipment.	Steering equipment.
Generators.	Tall shaft.
Glass, window.	Tanks.
Heating equipment.	Telephone apparatus.
Holding equipment.	Tracks on floats.
Hose.	Winches.
Hull plates.	Windlasses.
	Wireless apparatus.

PROPOSED RULE MAKING

§ 323.166 *Other floating equipment.* This account shall include the cost of construction or acquisition, including additions and improvements, of other floating equipment and of appurtenances, furniture, and fixtures necessary to equip them for service, including inspection, trial runs, and tests.

EQUIPMENT

Barges.	Motor launches.
Car floats.	Pile drivers.
Ferry boats.	Row boats.
Floating cranes.	Scows.
Floating derricks.	Transfer boats.
Floating dredges.	Tug boats.
Lighters.	

§ 323.167 *Buildings and other structures.* This account shall include the cost of construction or acquisition, including additions and improvements, of buildings and other fixed improvements used in transportation service and of appurtenances, and fixtures (but excluding all movable furniture, machinery and equipment), including the cost of securing title and possession.

LIST OF STRUCTURES

Blacksmith shops.	Fuel stations.
Breakwaters.	Garages.
Buildings.	General office buildings.
Carpenter and paint shops.	Grain elevators.
Coaling trestles.	Greenhouses.
Docks, piers, and wharves.	Ice houses.
Foundries.	Lumber sheds.
Freight houses.	Machine shops.
	Platforms and sheds.

APPURTENANCES AND FIXTURES

Alarm systems.	Legal fees.
Architects' fees.	Lighting plants.
Bins.	Plumbing.
Bulkheads.	Pipe lines.
Cisterns.	Power plants.
Counters.	Pumping stations.
Cofferdams.	Railings.
Drainage systems.	Ramps.
Dredging.	Refrigeration.
Driveways.	Roofs.
Electric light plants.	Sewerage.
Elevator systems.	Shelving.
Fences.	Sidewalks.
Fire alarm systems.	Slips.
Fire houses.	Sprinkler systems.
Fire extinguisher systems.	Steam or water heating systems.
Foundations and walls.	Surveys.
Fuel tanks.	Vaults.
Heating plants.	Walks.
Hedges.	Waiting rooms.
Hose houses.	Washrooms.
Hydrants.	Water supply systems.

§ 323.168 *Office, terminal, and other equipment.* This account shall include the cost of movable equipment and furniture located in buildings, terminals, and other fixed improvements and used in transportation service.

SHOP EQUIPMENT

Acetylene machines.	Emery grinders.
Beltting.	Grinding machine.
Bench vises.	Hydraulic jacks.
Belt cutters.	Hand tools.
Boring bars and torches.	Lathes.
Chain blocks.	Magnetos.
Charging boards.	Motors.
Compressed air apparatus.	Paint burners.
Circular saws.	Paint-spraying machines.
Die-stock ratchets.	Pipe-cutters.
Drill presses.	Planers.
Electric drills.	Polishing machines.
	Portable grinders.

Power machines.
Presses.
Punch and shears.
Reamers.
Riveters' hammers.
Saws.
Scales.
Scaling hammers.
Sewing machine.
Shapers.

FURNITURE AND OFFICE EQUIPMENT

Adding machines.	Floor covering.
Addressing machines.	Freight - handling equipment.
Billing machines.	Guns.
Blackboards.	Hospital beds.
Blueprint machines.	Instrumental cabinets.
Bookkeeping machines.	Lockers.
Book cases.	Linoleum.
Cabinets.	Mailing machines.
Calculating machines.	Medical equipment.
Cameras.	Mimeographs.
Carpets.	Mirrors.
Chairs.	Motion picture equipment.
Check protectors.	Numbering machines.
Cleaning equipment.	Photostatic equipment.
Clocks.	Pictures.
Clothes trees.	Printing presses.
Comptometers.	Racks.
Coolers.	Rugs.
Cupboards.	Safes.
Cuspidors.	Scales.
Davenport.	Screens.
Desks.	Settees.
Dictaphones.	Stands.
Dishes.	Stepladders.
Display racks.	Sterilizers.
Drafting instruments.	Stools.
Duplicating machines.	Stoves.
Electric cooking utensils.	Tables.
Electric fans.	Tableware.
Electric lamps.	Time clocks.
Engineering instruments.	Typewriters.
Filing cabinets.	Vacuum cleaners.
Fire extinguishers.	Water coolers.
	Wardrobes.
	X-ray machines.

WHARF EQUIPMENT

Canvas covers and slings.	Hoists.
Cargo blocks, chutes, and hooks.	Ladders.
Cargo rollers and slings.	Lawn mowers.
Coal buckets.	Life jacks.
Conveyors.	Motor equipment, warehouse.
Cranes.	Paper slings.
Crowbars.	Platform scales and trays.
Derricks.	Pontoons.
Dollies.	Racks.
Drum holsters.	Rope and rope slings.
Escalators.	Skids.
Fire barrels, buckets, and extinguishers.	Stages.
Fire hose.	Tackles.
Freight - handling equipment.	Tarpaulins.
Gangways.	Time clocks.
Gas tanks.	Tools.
Hand trucks.	Tractor and trailers, warehouse.
	Wharf fenders.
	Wire falls.

GARAGE EQUIPMENT

Air compressors.	Grinders.
Arbor presses.	Jacks.
Battery charging outfits.	Lathes.
Boring and reaming machines.	Lockers.
Car washing machines.	Machine tools.
Creepers.	Oil reclaiming machines.
Drill presses.	Paint sprayers.
Electric equipment and tools.	Pneumatic tools.
Forges.	Pumps and portable tanks.
Greasing racks.	Storage bins and shelving.

Storeroom equipment.
Stoves.
Testing equipment.
Tire changing equipment.
Tire repair equipment.
Vises.

Tool racks.
Vises.
Vulcanizing equipment.
Weighing devices.
Welding apparatus.
Wheel pullers.
Work benches.

§ 323.169 *Highway vehicles.* This account shall include the cost of motor and other highway equipment used in transportation service.

HIGHWAY VEHICLES

Automobiles.	Tractors.
Buses.	Trailers and semi-trailers.
Carts.	Trucks.
Harness.	Wagons.
Horses and mules.	
Lift vans.	

§ 323.170 *Reserve for depreciation, property and equipment.* This account shall be credited with amounts concurrently charged to operating expenses for depreciation of depreciable property used in transportation service. It shall also include any amounts the Commission may authorize the carrier to credit to account 783, "Miscellaneous credits," or charge to account 786, "Miscellaneous debits," in respect to past accruals of depreciation.

This account shall be charged with the credit balance herein applicable to each unit retired at the time it is retired from service. Any difference between the book cost of the unit retired less net salvage and insurance recovered, and the amount charged hereto for each unit retired shall be included in account 498, "Depreciation adjustment."

If the proceeds from the sale or the insurance recovered exceeds the book cost of a unit retired, the excess shall be credited to account 782, "Credits from property and equipment retired."

§ 323.171 *Amortization reserve; defense projects.* This account shall be charged with the credit balance herein applicable to each unit of defense property or equipment retired at the time it is retired from service. Any difference between the service value of the unit retired, less insurance recovered, and the amount charged hereto shall be included in account 498; "Depreciation adjustment."

§ 323.172 *Land.* This account shall include the cost of land used or held for use in transportation service. The net proceeds from the sale of improvements purchased with land shall be credited to this account.

When the acquisition of land for transportation service involves the purchase of land not required for such purpose, the land shall be charged to this account and the estimated fair market value of that portion not required for such purpose shall be credited hereto and charged to account 177, "Nonshipping property and equipment."

When land together with buildings is acquired, each shall be separately appraised, and the cost shall be apportioned between the land and buildings on such appraisal. If the buildings are to be removed before the land is used, the cost of both shall be charged to this account and the net salvage from the buildings credited hereto.

"Held for use" referred to in the opening sentence implies the ability of the carrier to support by plans or policy its intention to make use of the land for transportation service within a reasonable period of time.

§ 323.173 *Public improvements.* This account shall include assessments by governmental authority to cover the cost of public improvements when located within defined areas of taxing districts. It shall also include public improvements constructed by the carrier under governmental requirements. The cost of maintaining public improvements shall be included in operating expense.

Any portion of the cost of public improvements included in a general levy for a regular taxing district shall be included in the tax account.

When assessments for public improvements are to be paid over a period of years, the full assessment shall be charged to this account at the time levied, and the amount of deferred payments shall be credited to account 253, "Funded debt." The installments when due shall be charged thereto and interest, also penalties due to failure to pay on time, shall be charged to account 628, "Interest on funded debt."

Assessments on noncarrier property shall be charged to account 177, "Nonshipping property and equipment."

ITEMS

Curbing and grading streets.	Paving streets.
Drainage system.	Sewerage systems.
Flood protection.	Sidewalks.
Levees.	Street lighting.
	Waterworks.

§ 323.174 *Improvements on leased property.* This account shall include the cost of additions and improvements made to physical property leased from others and used by the carrier in transportation service.

Subsidiary accounts shall be kept corresponding to the primary property and equipment accounts.

§ 323.175 *Amortization reserve; leased property.* This account shall be credited with accruals of depreciation on additions and improvements to property leased from others, which are charged to operating expenses in order to distribute their service value in equal annual installments over their useful life in the carrier's service.

At the time of retirement or reversion to the lessor of units of property leased from others, this account shall be charged with the balance included herein applicable to the units retired from service. Any difference between the amounts at which such units were carried in account 174, "Improvements on leased property," less any salvage recovered, and the amount charged hereto shall be included in account 498, "Depreciation adjustment."

§ 323.176 *Acquisition adjustment.* This account shall include the difference between the assets acquired and the par or recorded value of the accounting company's capital stock, funded debt, and other liabilities as properly determined under the reorganization plan.

It shall also include the difference between the cost to the accounting com-

pany of water-line property acquired as an operating unit by purchase, merger, consolidation or otherwise than in a reorganization, and the amount distributed to the property and equipment accounts, less the amounts credited to the depreciation and amortization reserves with respect to such property.

This account shall also be credited with grants obtained from governmental agencies and with donations from individuals and others in connection with the construction or acquisition of transportation property at the amounts at which such property is charged to the property and equipment accounts.

§ 323.177 *Nonshipping property and equipment.* This account shall include the cost of land, buildings, structures, and equipment not used by the carrier in its transportation operations, such as mineral and timber land, manufacturing plants, power plants, land held in anticipation of future use, equipment, and other property that is entirely distinct from property and equipment operated in connection with or incident to its shipping operations.

The fair value of abandoned transportation property not disposed of shall be transferred to this account at the time of its retirement.

§ 323.178 *Reserve for depreciation; nonshipping property and equipment.* This account shall be credited with amounts charged to income for depreciation on property recorded in account 177, "Nonshipping property and equipment."

At the time of retirement, this account shall be charged with the balance herein applicable to the property retired. Any difference between the service value of such property, less any insurance recovered, shall be included in account 623, "Expenses of nonshipping property and equipment."

§ 323.179 *Construction work in progress.* This account shall include the cost of transportation property in process of construction. When the construction is completed, the cost thereof shall be credited to this account and charged to the appropriate accounts according to the character of the property.

The cost of land for which there is a definite plan for use in transportation service shall be included in this account pending the completion of the facilities to be constructed thereon.

It is not required that this account shall include the cost of construction work which is placed in service as the work progresses.

DEFERRED ASSETS

§ 323.180 *Claims pending.* This account shall include claims in litigation and insurance claims in process of compilation or adjustment. After compilation or adjustment of claims is made, this account shall be cleared and the amounts receivable transferred to account 121, "Claims receivable."

Deductible average insurance losses (if policy provides deductibles) shall be transferred at the same time to account 281, "Reserve for insurance," provided the carrier accrues for deductibles; other-

wise, the charge shall be made to the appropriate operating-expense account.

§ 323.181 *Spare parts.* This account shall include the cost, less cash and other discounts, of unapplied spare parts, such as propellers, tail shafts, crank shafts, pumps, rudders, hoisting engines, generators, and rotors, acquired as standby equipment. The costs chargeable to this account are the actual cash paid for the spare parts at point of free delivery, plus custom duties, insurance, inspection, special tests, loading, unloading, and transportation paid other carriers.

When any parts carried in this account are installed and placed in service, their cost shall be credited to this account and charged to the appropriate property and equipment account.

§ 323.182 *Noncurrent notes and accounts receivable.* This account shall include all noncurrent notes and accounts receivable due from directors, officers, and employees of the carriers and also from affiliated companies, which by agreement, are to run for a period longer than one year. It shall also include advances to traffic associations and bureaus to be used as working capital. Current notes and accounts receivable shall be classified in the appropriate account under current assets.

§ 323.183 *Other deferred assets.* This account shall include the estimated value of salvage recoverable from property retired when the recovery of the salvage is deferred for any reason; items of a current character but of doubtful value; funds on deposit with closed banks; and all other deferred items not covered by other deferred asset accounts.

DEFERRED CHARGES AND PREPAID EXPENSES

§ 323.190 *Prepayments.* This account shall include amounts representing prepayments of insurance premiums, interest, rent, taxes, and other items.

Deposits made to cover insurance premiums which cannot be computed on an actual basis until a later date, such as premiums computed on payrolls, shall be charged to this account and accounted for as premiums paid in advance.

This account shall be credited, and the appropriate operating-expense or income account charged in such manner as to distribute the amount of prepayments over the term to which applicable. Mine items may be charged directly to the appropriate accounts.

§ 323.192 *Working advances.* This account shall include amounts advanced to masters, pursers, stewards, agents, branch offices, etc., as working advances from which expenditures are to be made and accounted for. It shall be charged with allotments paid to members of the crew and credited with deductions on pay rolls; also with advances shown on pay rolls at the time pay rolls are recorded on the books.

It shall be credited with all settlements made with masters and others.

§ 323.193 *Debt discount and expense.* This account shall include the net total, if a debit balance, of all discount, expense, and premium ledger accounts for all classes of funded debt. The debt dis-

count and expense shall be amortized periodically over the life of the securities to which they apply. When an issue of funded debt, or any part thereof, is refunded and at the date of refunding there is a balance of unamortized discount and expense relating to such issue, such balance, together with any premium paid in retiring such issue, shall be charged to account 786, "Miscellaneous debits."

§ 323.194 *Other deferred debits.* This account shall include the amount of debit balances in suspense accounts not provided for elsewhere that cannot be cleared and disposed of until additional information is received.

(a) Amounts paid for options pending final disposition.

(b) Cost of preliminary surveys, investigations, or appraisals in connection with contemplated acquisitions or sales of property and securities.

(c) Debit balances in clearing accounts.

(d) Commissions on tickets not honored.

(e) Items, the proper and final disposition of which is uncertain.

When proper disposition of any item included herein is determined, this account shall be cleared by charging the appropriate account.

INTANGIBLE ASSETS

§ 323.195 *Organization.* This account shall include expenditures incident to incorporation or other form of organization of the company. It shall include:

(a) Fees paid for privilege of incorporation.

(b) Legal and office expenses incident to organizing the company.

(c) Cost of stock and minute books and corporate seal.

(d) Cost of preparing and filing amendments to certificate of incorporation.

(e) Special counsel and other fees and expenses and expenses of mergers, consolidations, or reorganizations.

This account shall not include discount upon securities issued or assumed; cost incident to negotiating loans, selling bonds, or other evidences of debt; or discount, commission, and expense incident to authorization, issue, and sale of capital stock.

When charges are made to this account for expenses of mergers, consolidations, or reorganizations, amounts in this account relating to prior transactions of the companies involved shall not be carried over to the books of the corporation that emerges as the new company.

COMPANY SECURITIES

§ 323.196 *Reacquired and nominally issued long-term debt.* This account shall include the par value of long-term debt of the carrier nominally issued or reacquired and held uncanceled by it, except debt held in sinking or other funds. The difference between the par value of long-term debt and the amount paid therefor, including commissions and expense incurred in its reacquisition and any unamortized discount, expense, and

premium relating to the reacquired issue, shall be included in surplus.

When reacquired long-term debt is resold, this account shall be cleared and the accounting for its sale shall be that provided for in § 323.0-17' *Discount, premium, and expense on long-term debt.*

Reacquired long-term debt issued or assumed by the carrier and not retired shall be considered nominally outstanding.

§ 323.197 *Reacquired and nominally issued capital stock.* This account shall include the par value of capital stock of the carrier nominally issued or reacquired and uncanceled, except when held in sinking or other funds. If no par stock is reacquired, it shall be charged hereto at the pro rata proportion at which it is recorded in account 290, "Capital stock." Capital stock having no par value, when classable as nominally issued, shall be recorded by the number of shares.

CURRENT LIABILITIES

§ 323.201 *Notes payable.* This account shall include the face value of notes, drafts, and other evidences of indebtedness issued or assumed by the carrier (except interest coupons) which are payable on demand or within one year from date of issue.

Notes payable to affiliated companies subject to current settlement shall be included in account 202, "Affiliated companies—Notes and accounts payable."

§ 323.202 *Affiliated companies; notes and accounts payable.* This account shall include amounts payable to affiliated companies which are subject to current settlement, such as credit balances in open accounts, services rendered, materials furnished, traffic and interline accounts, claims, rents, and interest, dividends, loans, notes, and drafts payable to affiliated companies.

No amount representing dividends payable shall be included in this account unless they have been declared.

Items which are not subject to current settlement shall be included in account 256, "Affiliated companies—Advances and noncurrent payables."

§ 323.210 *Audited accounts payable.* This account shall include all audited vouchers and accounts for liabilities currently due to creditors for services rendered and supplies furnished to the carrier and unpaid on the date of the balance sheet. It shall also include the amounts due for wages and salaries as shown by audited payrolls, including outstanding pay checks.

§ 323.211 *Traffic accounts payable.* This account shall include all amounts due to connecting carriers, governments, and others covering freight and passenger brokerage, amounts due for hotel reservations and sightseeing tours, custodian deposits or funds payable, taxes collected from shippers, passenger, consignees, and others which are due or payable to the government or others, advance charges, prepaid beyond charges, miscellaneous manifested items, such as consular fees, insurance, handling, transshipment, and transfer charges.

This account shall not include any amounts due affiliated companies.

§ 323.215 *United States Maritime Commission; accounts payable.* This account shall include all current accounts payable to the United States Maritime Commission, including accrued interest, that arise from transactions with that agency.

§ 323.217 *Dividends payable.* This account shall include the amount of dividends declared on actually outstanding capital stock, unpaid at the date of the balance sheet, including dividends payable immediately following that date, except dividends payable to affiliated companies.

§ 323.218 *Accrued interest.* This account shall include the amount of unpaid interest accrued to the date of the balance sheet on actually outstanding loans, funded debt, and other interest-bearing obligations, except obligations payable to affiliated companies or the United States Maritime Commission.

This account shall be kept so that the carrier can report the amount of matured interest unpaid.

§ 323.219 *Miscellaneous accounts payable.* This account shall include all current audited amounts payable not provided for elsewhere.

§ 323.220 *Taxes accrued.* This account shall be credited with the accrual of all taxes which have been currently charged to appropriate income, or other accounts, for taxes. Such accruals may be based on estimates, provided such estimates shall be adjusted so as to reflect in this account at all times the carrier's estimate of its unpaid liability for each of the classes of taxes which have not been finally settled.

Vouchers for current payments of taxes, including taxes for which accruals have not been made previously, shall be charged to this account. Taxes paid in advance shall be charged to account 190, "Prepayments."

The records supporting the entries in this account shall be kept to show separately by classes of taxes the amount of tax accruals for the current year and adjustments of accruals for prior years.

Taxes withheld or collected from others, to be later paid to governmental agencies, shall be included in account 211, "Traffic accounts payable."

§ 323.229 *Other accrued accounts payable.* This account shall include estimates of all unaudited items, obligations, and commitments payable by the carrier to the date of the balance sheet, not provided for elsewhere. When the amounts due are definitely known, this account shall be debited and the appropriate liability account credited.

This account shall not be confused with reserves for equalization of operating expenses and to meet probable liability for loss and damage, personal injury, and other claims not covered by insurance.

§ 323.232 *Collections and deposits for passenger transportation.* This account shall include the collections from the sale of passenger tickets and deposits made

in connection therewith, including those for future reservations; also sales and deposits for hotel and shore excursions, passenger taxes, sales of prepaid orders, and passage and automobile reservation deposits.

As transportation is furnished to passengers by vessels of the carrier, this account shall be debited and the appropriate revenue or balance-sheet accounts credited for the corresponding part of the collection, also amounts originally included in this account representing other carriers' proportion of revenue for services rendered by them, taxes due governmental agencies, hotels, shore excursions, and other purposes as soon as practicable shall be debited to this account and credited to the appropriate accounts.

§ 323.233 Other current liabilities. This account shall include the principal amount of unrepresented bonds drawn for redemption through sinking funds and redemption agreements; also principal amount of unrepresented funded debt which has matured (for which provision has been made for current settlement) and all other liabilities of a current character not covered by accounts 201 to 232, inclusive.

§ 323.240 Unterminated voyage revenue. This account shall include all voyage revenues accruing for uncompleted voyages or other accounting periods. The revenues to be recorded in this account shall include freight, passenger, mail, excess baggage, and other voyage revenues. The carrier may, however, if it so elects, credit the appropriate primary revenue accounts with the revenues as recorded, and at the end of each month transfer the revenues so recorded from the various primary accounts to this account by voyage total and reverse the entries in the succeeding month.

LONG-TERM DEBT

§ 323.250 Mortgage notes; United States Maritime Commission. This account shall include all mortgage notes payable to the United States Maritime Commission. The records shall be kept to show separately—

- (a) Ship sales.
- (b) Construction loans, 1928 act.
- (c) Construction, 1936 act.

Notes due within one year shall be segregated for balance-sheet purposes and reported as current liabilities.

§ 323.253 Funded debt. This account shall include the total face value of funded debt, including mortgages, bonds, notes, debentures, certificates, and other evidences of indebtedness issued or assumed by the carrier and not retired or canceled which mature more than one year from date of issue, but excluding advances from affiliated companies.

The amounts included herein shall be divided so as to show the amount of each class of funded debt, as follows:

1. Equipment bonds or notes secured only by lien on equipment.
2. Mortgage bonds secured by lien on physical property and not includible in other subdivision hereof.

3. Collateral trust bonds and notes secured by lien on securities or other negotiable paper, and stock trust certificates that are similar in character to collateral trust bonds.

4. Income bonds which are a lien on the carrier's income or bonds which, while a lien on its property and franchises, can claim payment of interest only in case interest is earned.

5. Miscellaneous obligations maturing more than one year after date of issue. All funded obligations not provided for by other subdivisions hereof, unpaid installments of assessments for public improvements, and notes, unsecured certificates of indebtedness, real estate mortgages, and other similar obligations.

6. Receipts outstanding where certificates are issued for amounts paid on account of funded debt, the face value shall be included in the class of funded debt for which certificates are issued.

Funded debt shall be recorded at par value excluding accrued interest.

Funded debt due within one year shall be segregated for balance-sheet purposes and reported as a current liability.

Reacquired bonds and other evidences of indebtedness issued or assumed by the carrier and not retired shall be considered nominally outstanding.

Records shall show for each class and series of funded debt issued:

1. Amounts authorized.
2. Amounts issued.
3. Amounts reacquired.
4. Amounts outstanding.
5. Date of issue.
6. Date of maturity.
7. Interest dates.
8. Rate of interest.

§ 323.255 Receivers' and trustees' securities. When receivers or trustees acting under orders of the court are in possession of the property of the carrier and under orders of the court issue or assume evidences of indebtedness, the par value of such obligations outstanding shall be credited to this account.

Such reacquired securities not retired shall be considered nominally outstanding.

§ 323.256 Affiliated companies; advances and noncurrent payables. This account shall include all notes, advances, and other noncurrent accounts payable to affiliated companies, whether evidenced by notes, open accounts not subject to current settlement, or interest not subject to current settlement.

Amounts advanced subject to current settlement shall be included in account 202, "Affiliated companies—Notes and accounts payable."

DEFERRED LIABILITIES

§ 323.265 Recapture profits; United States Maritime Commission. This account shall include, at the end of the first accounting year and at the close of each succeeding year within the contract period, an amount which shall reflect the net excess profits that accrue each year to the Commission under the recapture clauses in sections 606 and 607 of the Merchant Marine Act, 1936.

§ 323.269 Deferred liabilities. This account shall include items of deferred liabilities payable to other than affiliated companies, such as retained percentages to be paid contractors upon completion of contracts, which become payable one

year or more from date of contract, and any other similar items.

UNADJUSTED CREDITS

§ 323.278 Premium on funded debt. This account shall include the net total, if a credit balance, of all discount, expense, and premium ledger accounts for all classes of funded debt, the premiums for which are to be amortized periodically over the respective lives of the securities.

When an issue of funded debt or any part thereof is refunded and at date of refunding there is a balance of unamortized premium relating thereto, the amount of such balance shall be credited to account 783, "Miscellaneous credits."

§ 323.279 Unadjusted credits. This account shall include the amount of credit balances in suspense not provided for elsewhere that cannot be cleared and disposed of until additional information is received.

(a) Proceeds from the sale of damaged, unclaimed, and overfreight.

(b) Credit balances in clearing accounts.

(c) Unexpended proceeds from insurance losses.

(d) Items, the proper and final disposition of which is uncertain.

When the proper disposition of an item is determined, this account shall be cleared by crediting the appropriate account.

OPERATING RESERVES

§ 323.280 Reserve for repairs. This account shall include the balance representing reserves created for the purpose of equalizing the cost of repairs to vessels in line service and to other floating equipment.

When reserves are created to equalize repairs for a given period, the cost of the repairs, when made, to the extent of the provision herein shall be charged to this account.

The accruals credited to these reserves shall be based on the carrier's experience and class surveys of anticipated expenditures for major repairs.

The amounts credited to this account shall be distributed to the appropriate expense accounts of the terminated voyages or other accounting periods to which applicable.

Reserves shall be provided only for repairs to be made at domestic ports and repairs made at foreign ports shall be charged directly to the appropriate expense accounts.

§ 323.281 Reserve for insurance. Agreed amounts for Marine, Hull, and Protective and Indemnity Insurance deductibles (if provided for in policies) or for the carrier's proportion of self-carried insurance, shall be charged for each voyage to the appropriate expense accounts of account 140, "Unterminated voyage expense," and the corresponding credits included in this account. When the amount within the deductibles average chargeables against each voyage or other accounting period is determined, it shall be transferred from account 180, "Claims pending," as a charge to this account.

This account shall also be used for the accrual of other insurance risks, when the carrier elects to be a self-insurer, as

for example, self-carried workmen's compensation insurance, public liability insurance, and loss and damage insurance against cargo claims in domestic service. When this account is credited with such reserve accruals, the appropriate insurance accounts shall be debited.

This account shall not include appropriations of earned surplus, which shall be reflected in account 298, "Earned surplus—Appropriated."

§ 323.287 *Reserves for pensions and welfare.* This account shall include the balance representing the liability of the carrier for the amount of assets (whether contributed by the carrier, by the employees, or by others) in the hands of the treasurer or of a trustee or manager as the administrator of employees' pension, savings, relief, hospital, or other association funds.

This account shall not include amounts representing funds in which the accounting company has no beneficial interest and holds merely as trustee.

§ 323.289 *Miscellaneous operating reserves.* This account shall include the net credit balance representing reserves created by accruals to the appropriate operating-expense accounts to meet the probable liability for damage and loss or personal injury claims not covered by insurance. If settlements of claims when audited are charged to this account, the balances for each year shall be kept separately, and the necessary adjustment made through the expense account originally charged until all accruals for a year are cleared. If settlements when audited are charged to the appropriate expense accounts, the balance herein shall be adjusted through the appropriate expense accounts so as to reflect the probable liability at the close of the year.

CAPITAL AND SURPLUS

§ 323.290 *Capital stock.* This account shall include the par value, or for stock without par value the money value of the consideration received, in respect of capital stock or other form of proprietary interest in the carrier which has been issued to purchasers and has not been reacquired and canceled, including the par value of capital stock nominally issued. It shall also include stock dividends representing appropriations of surplus. When capital stock is retired, this account shall be charged with the book value at which such stock is recorded herein.

The book value of nonpar stock reacquired shall be determined by a prorate of the amount recorded for shares of the particular subclass of stock of which the shares reacquired are a part actually outstanding immediately prior to acquisition.

The credits hereto shall be divided as follows:

1. Preferred stock. (Stock having a preference or priority in respect to dividend participation.)
2. Common stock. (Stock entitled to a dividend, if any, after preferred stock.)

A separate record shall be kept for each subclass showing the number of shares authorized by the articles of incorporation and amendments, the numbers of

shares issued, the number of shares reacquired, the number of shares canceled, the number of shares outstanding, and their book value.

In case capital stock is reacquired and held in the treasury or in special funds, such stock shall be included in the appropriate accounts, in accordance with § 323.0-16 *Discount, expense, and premium on capital stock.*

§ 323.291 *Capital stock subscribed.* This account shall include the amount of subscriptions to capital stock of the carrier. It shall be credited with the par value, or with the subscription price of stock without par value, exclusive of dividends, if any. Concurrently, account 118, "Subscribers to capital stock," shall be debited with the agreed price and any discount or premium shall be included in the appropriate account. When properly executed stock certificates are issued, this account shall be debited and account 290, "Capital stock," credited.

§ 323.292 *Premiums and assessments on capital stock.* This account shall include the excess of actual cash value of the consideration received over the par value and accrued dividends, of par value stock issued, together with assessments against stockholders representing payments in excess of the par or recorded values as included in account 290, "Capital stock." When capital stock is reacquired, the amount in this account with respect to the shares reacquired shall be charged hereto.

§ 323.293 *Discount and expense on capital stock.* This account shall include the discount suffered and commissions and expense incurred in connection with the issuance and sale of capital stock. Records supporting the entries to this account shall be so kept as to show the discount, commissions, and expense on each class and series of capital stock.

When capital stock is reacquired, the amount in this account with respect to the shares reacquired shall be credited hereto.

§ 323.295 *Unearned surplus.* This account shall include all surplus arising from sources other than those resulting in earned surplus, such as profits from reacquisition and resale of capital stock by the accounting company and reduction in capitalization.

Credits to this account shall be recorded as shown in the texts of accounts 296 and 297.

§ 323.296 *Paid-in surplus.* This account shall include items such as gains from reacquired or donated shares of capital stock; from forfeiture of subscriptions; from debt of the carrier forgiven by its stockholders; and from reduction of the par or recorded value of capital stock, when approved by the Commission.

This account shall be charged with amounts included herein capitalized by stock dividends or otherwise; losses from retirement or resale of reacquired shares not exceeding the credit herein applicable thereto; and may be charged with discount, commissions, and expense on capital stock to the extent of credits herein applicable thereto.

§ 323.297 *Other unearned surplus.* This account shall include unearned surplus arising from sources other than those enumerated in account 296, "Paid-in surplus."

§ 323.298 *Earned surplus; appropriated.* This account shall include the net balance of appropriations of income and earned surplus for replacement of capital assets, debt retirement, special or funded reserves, and other special appropriations, except amounts properly chargeable to operating revenues or operating expenses. A subdivision of this account shall be kept for each reserve, the title of which shall indicate the purpose of the reserve.

§ 323.299 *Earned surplus; unappropriated.* This account shall include the balance (either debit or credit) carried forward from the previous calendar year. It shall also include the net balance as reflected in earned surplus accounts 781 to 788, inclusive, which latter accounts shall be closed into this account at the end of each calendar year.

It shall not include credits from the reduction of the carrier's capital stock nor transfers from unearned surplus, except with the approval of the Commission.

PROPERTY AND EQUIPMENT INSTRUCTIONS

§ 323.0-26 *Purpose of property accounts.* The property accounts are designed to show an accounting analysis of the book cost of property owned and used by the carrier in its transportation operations and property owned by the carrier and leased to others for transportation operations.

§ 323.0-27 *Bases of recording.* All amounts recorded in the property and equipment accounts, except as otherwise provided in §§ 323.0-20 and 323.0-28, shall be the cost to the carrier of acquiring the property and equipment.

The cost of acquiring or constructing property and equipment shall include the cost of labor, materials, transportation over foreign lines, contract work, rent of construction facilities, taxes, interest during construction on specific borrowings, engineering, supervision, law expenditures, injuries and damages, and insurance, applicable to the construction period.

When the consideration given for property is anything other than cash, the cash value of such consideration at the date of the transaction shall be used. The transaction shall be described in the journal entry with sufficient particularity to identify it.

The cost of the construction shall include the following:

"Cost of labor" includes the amount paid for labor performed by the carrier's employees, including salaries and expenses of engineers and other officers specifically assigned to construction work. No charge shall be made for the pay of operating officers and members of their staffs who merely render service incidentally in connection with construction work.

NOTE: The office, traveling, and other personal expenses of officers and employees shall be included in the accounts to which their

pay is chargeable, except that traveling and other expenses incurred while rendering service incidentally in connection with construction shall be included in the cost of the work upon which engaged.

"Cost of material, supplies, and small tools" includes the purchase price at the point of free delivery, plus costs of royalties, if any, inspection, loading, transportation, and an equitable proportion of store expenses. In determining the cost of material used, proper allowance shall be made for the value of unused portions, small tools recovered and used for other purposes and all other salvage.

NOTE: The cost of individual articles of small value (\$25.00 or less) or of short life, including small tools, shall not be charged to the cost of construction unless the correctness of the accounting is verified by current inventories, but shall be charged to operating expenses.

"Special-machine service" includes the cost of material and supplies used in operating the carrier's machines and work equipment; it also includes expenditures for the rental, maintenance, and operation of machines and equipment of others.

NOTE: No charge shall be made to these accounts to cover a return upon the carrier's investment in special machines or work equipment used in construction.

When special machines and work equipment are purchased for use in construction work, their cost shall be included in account 179, "Construction work in progress." If the machines or equipment are sold at the completion of the work, their sale price shall be credited to account 179. In case they are retained for use in transportation service their appraised value at the completion of the work shall be charged to the appropriate property account and concurrently credited to account 179.

"Cost of contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals, engineering and supervision applicable to such work, costs incident to the award of the contracts, and inspection of the work.

"Cost of injuries and damages" includes expenditures on account of injuries to persons or damage to property during construction. Such costs shall be included in the cost of the work in connection with which the injury or damage occurs; also the portion of premiums paid for insuring against casualties applicable to the period prior to the completion of the property insured, except that extraordinary losses that result in the destruction of units that have to be entirely replaced prior to completion of the project shall be charged to account 786, "Miscellaneous debits," and casualties to the extent covered by insurance shall be charged to account 180, "Claims pending." The cost of injuries and damages in connection with the removal of old structures which are incumbrances on newly acquired land shall be included in account 172, "Land."

"Interest during construction" includes the net cost or borrowed funds when used exclusively for construction purposes. Such interest shall be charged to the accounts appropriate for the cost of the property in connection with which the funds are expended. The period for

which interest may be charged shall be limited to the period of construction.

The cost of launching and trial trips of floating equipment which is borne by the carrier shall be considered as part of the purchase price of floating equipment.

When any equipment or other water-line property is acquired under an agreement which provides that the cost shall be paid in installments, the cost shall be charged to the appropriate property accounts at the time of its acquisition, in the same manner as the cost of property purchased outright.

§ 323.0-28 *Water-line property acquired.* In case of the acquisition through purchase, merger, consolidation, liquidation, or otherwise of water-line property constituting a distinct operating unit involving an expenditure by the carrier of an amount in excess of \$25,000.00, the purchase price of the property and the expenses incident to its acquisition shall be charged to account 176, "Acquisition adjustment."

The accounting for the acquisition shall be completed as follows:

The book cost at the date of acquisition, as shown by the records of the former owner, shall be appropriately distributed and charged to the primary property and equipment accounts with contra credit to account 176, "Acquisition adjustment."

The accrued depreciation applicable to the property acquired shall be charged to account 176, "Acquisition adjustment," and concurrently credited to the depreciation reserve account prescribed herein. With the approval of the Commission this entry may be the amount accrued by the former owner of the property acquired.

Any balance remaining in account 176, "Acquisition adjustment," shall be retained therein unless otherwise ordered by the Commission.

When the purchase of water-line property does not exceed \$25,000.00, the property acquired shall be charged to the appropriate primary accounts at the price paid by the carrier.

In connection with the acquisition of water-line property, the carrier shall procure all existing records relating to the property acquired, or certified copies thereof, and shall preserve such records until authorized by the Commission to destroy or otherwise dispose of them.

Journal entries which record the acquisition of water-line property shall be submitted to the Commission for approval before they are recorded on the carrier's books.

§ 323.0-29 *Overhead construction costs.* Overhead construction costs, such as engineering, supervision, legal expenses, insurance, injuries, damages, and taxes shall be distributed equitably to the work benefited, so that the entire cost of construction, both direct and indirect, may be included in the appropriate primary account.

These instructions shall be interpreted as requiring the assignment of the actual overhead costs to the cost of each particular project.

§ 323.0-30 *Retirements and replacements.* At the time of retirement, the

book cost (estimated if not known) of transportation property retired from service, shall be credited to the appropriate property accounts in which included.

1. Land retired including the proportional cost of public improvements pertaining to the land.

2. Units of depreciable property retired.

NOTE: The dismantling of the structure or unit of equipment in order to replace parts with improved parts, the purpose of which is to modernize the unit and create an expectation of life fairly comparable with a new unit shall be accounted a retirement. The dismantling of such property only to the extent necessary to recondition or replace defective parts shall be accounted as repairs.

3. Minor items of depreciable property retired and not replaced.

NOTE: If the book cost of a minor item retired is small and the retirement is not under a general plan, in the judgment of the carrier does not affect the condition and value of the property for valuation or depreciation purposes, and will be accounted for by inclusion in the unit of property of which it is a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

4. Minor items of depreciable property retired and replaced with items of a different type or design or constructed of a different grade of material effecting a substantial improvement and rendering the part applied more durable or of greater capacity than that retired.

NOTE: If the retirement and replacement of minor items is in kind or does not effect a substantial improvement, the cost of the replacement including cost of removal shall be charged to the account appropriate for repairs, and no adjustment shall be made of the property accounts.

The amounts thus credited to the primary property accounts shall be charged as follows:

1. Units and minor items of property: The accounting for units and minor items of property accounted for as retired shall be in accordance with § 323.0-8.

2. The value of salvage from retired property shall be charged according to the disposition of the material recovered. If retired property is held temporarily without being torn down, the estimated value of the salvage recoverable shall be included in account 183, "Other deferred assets," until the property is dismantled or otherwise disposed of. If retired property is held by the carrier for other than water-line service, its appraised value shall be included in account 177, "Nonshipping property and equipment."

3. The cost of removal shall be included in determining the service value of property retired.

Land retired. The book cost of the land, including the proportional cost of public improvements pertaining to the land, retired from service shall be credited to accounts 172, "Land," and 173, "Public improvements," respectively. If the land is sold, the necessary adjustment between the book cost and the sale price shall be included in the appropriate account of earned surplus. If the land is retained, its appraised value shall be charged to account 177, "Nonshipping property and equipment," and the necessary adjustment accounted for in the manner indicated for land sold.

Sale of property. In case equipment or other depreciable property is sold at a profit, the difference between the book cost and the net proceeds shall be credited to account 782, "Credits from property and equipment retired."

§ 323.0-31 *Leased property.* The cost of initial improvements (including rear-

rangements and additions) to property leased from others for transportation service made in the course of preparing the property for such service and the cost of any subsequent additions or improvements made to such leased property shall be charged to account 174, "Improvements on leased property."

When improvements to leased property are of relatively minor cost or the lease is for a period not exceeding one year, the cost shall be charged to the appropriate account in operating expenses for repairs.

§ 323.0-32 *Donations.* The carrier shall credit account 176, "Acquisition adjustment," at the time of acquisition, with the current money value of land and other grants contributed by governmental agencies or donations by individuals or companies toward the construction or acquisition of property used in transportation service, after obtaining the approval of the Commission.

Any advances made by individuals and companies with provisions for partial or complete reimbursement shall not be considered as donations prior to the fulfillment of all conditions, and then only to the extent to which the liability for reimbursement is nullified. Prior to such determination the amounts received shall be credited to account 279, "Unadjusted credits."

PROPERTY AND EQUIPMENT ACCOUNTS

NOTE: See Balance-Sheet accounts in §§ 323.165 to 323.179.

OPERATING-REVENUE INSTRUCTIONS

§ 323.0-51 *Purpose of operating-revenue accounts.* The operating-revenue accounts are designed to show the amounts of revenue which the carrier becomes entitled to receive from furnishing of transportation service, including service incidental thereto.

§ 323.0-52 *Statement of operating-revenue accounts.* The accounting for operating revenues shall be coincident with the transactions which create them. For the purpose of meeting this requirement, the carrier shall account for unaudited revenues upon an accrual basis.

The revenue accounts shall not be used as clearing accounts for other carriers' proportions of revenue, except that overcharges or undercharges may be carried in these accounts until adjusted.

OPERATING-REVENUE ACCOUNTS.

These primary accounts are designed to show the amount of operating revenue the carrier is entitled to receive, or that accrues to its benefit from transportation service and service incidental thereto.

FOREIGN SERVICE

This general account shall include all revenue derived from the operation of vessels by the carrier in foreign service.

§ 323.301 *Freight; foreign.* This account shall include all revenue accruing from transportation of freight by vessels while in foreign service between foreign ports, or domestic and foreign ports, upon the basis of freight tariff rates; also revenue accruing from towing vessels of others in foreign service and transporting

automobiles in foreign service incident to transportation of passengers.

It shall be charged with refunds due to errors in classification or computation of rates and charges; refunds due to errors in routing or shipping freight; refunds and uncollectible charges on lost, damaged, or destroyed freight shipments; and with refunds of overcharges assumed by the carrier under the voucher minimum.

§ 323.302 *Passenger; foreign.* This account shall include all revenue accruing from the transportation of passengers by vessels while in foreign service between foreign ports or domestic and foreign ports at passenger tariff rates.

The credits to this account shall be subdivided as follows:

1. Revenue from passenger fares.
2. Revenue from staterooms.
3. Revenue from meals.
4. Revenue that cannot be separated among 1, 2, and 3.

It shall also include revenue from extra fares, from additional charges for exclusive use of space, and charges for transportation of corpses at passenger rates.

It shall be charged with redemption of unused or partially used tickets and refunds of extra fares and overcollections in excess of tariff rates.

§ 323.303 *Baggage; foreign.* This account shall include all revenue accruing from transportation, by vessels while in foreign service between foreign ports or domestic and foreign ports, of baggage in excess of free allowance, and for transporting animals, pets, and personal belongings at other than freight or express tariff rates.

§ 323.304 *U. S. Mail; foreign.* This account shall include all revenue accruing from the transportation, by vessels while in foreign service between foreign ports or domestic and foreign ports, of mail of the United States Government at established rates for specified routes and from bonuses and subsidies for transporting mail of the United States Government. It shall be charged with fines and penalties imposed upon and payable by the carrier.

§ 323.305 *Foreign mail.* This account shall include all revenue accruing from the transportation by vessels while in foreign service between foreign ports, or domestic and foreign ports of mail of foreign countries other than the United States. It shall be charged with fines and penalties imposed upon and payable by the carrier.

§ 323.306 *Express; foreign.* This account shall include all revenue accruing from the transportation of express matter by vessels while in foreign service between foreign ports, or domestic and foreign ports upon the basis of express tariff rates.

COASTWISE AND INTERCOASTAL SERVICE

This general account shall include all revenue derived from the operation of vessels by the carrier in coastwise and intercoastal service.

§ 323.311 *Freight; coastwise and intercoastal.* This account shall include

all revenue accruing from transportation of freight, by vessels while in coastwise and intercoastal service between domestic ports, upon the basis of freight tariff rates; also revenue accruing from towing vessels of others in such service and transporting automobiles in such service incident to the transportation of passengers.

It shall be charged with refunds due to errors in classification or computation of rates and charges; refunds due to errors in routing or shipping freight; refunds and uncollectible charges on lost, damaged, or destroyed freight shipments; and with refunds of overcharges assumed by the carrier under the voucher minimum.

§ 323.312 *Passenger; coastwise and intercoastal.* This account shall include all revenue accruing from the transportation of passengers by vessels while in coastwise and intercoastal service between domestic ports, at passenger tariff rates.

The credits to this account shall be subdivided as follows:

1. Revenue from passenger fares.
2. Revenue from staterooms.
3. Revenue from meals.
4. Revenue that cannot be separated among 1, 2, and 3.

It shall also include revenue from extra fares, from additional charges for exclusive use of space, and charges for transportation of corpses at passenger rates.

It shall be charged with redemption of unused or partially used tickets and refunds of extra fares and overcollections in excess of tariff rates.

§ 323.313 *Baggage; coastwise and intercoastal.* This account shall include all revenue accruing from transportation, by vessels while in coastwise and intercoastal service between domestic ports, of baggage in excess of free allowance and for transporting animals, pets, and personal belongings at other than freight or express tariff rates.

§ 323.314 *U. S. Mail; coastwise and intercoastal.* This account shall include all revenues accruing from transportation by vessels while in coastwise and intercoastal service between domestic ports of mail of the United States Government at established rates for specific routes and from bonuses and subsidies for transporting mail of the United States. It shall be charged with fines and penalties imposed upon and payable by the carrier.

§ 323.315 *Express; coastwise and intercoastal.* This account shall include all revenue accruing from the transportation of express matter by vessels while engaged in coastwise and intercoastal service between domestic ports, upon the basis of express tariff rates.

UNALLOTTED SERVICE

This general account shall include all revenue derived from the operation of vessels by the carrier which are not required to be allocated to either foreign, or coastwise and intercoastal service.

§ 323.320 *Charter revenue.* This account shall include all charter revenue

accruing to the carrier as charter hire of its vessels to others, except the charter hire of its vessels to parties who are also shippers, provided the charter hire in such cases is based and directly dependent upon the commodities and volume of freight transported. It shall also include revenue receivable as a guaranty for the hire of vessels under agreements providing for the division of the profits between the charter parties.

The carrier shall include in this account all amounts accruing as charter revenue, and shall charge expenses directly incurred and to be borne by it to the appropriate operating-expense accounts.

Charter revenue receivable from shippers when based and directly dependent upon the commodities and volume of freight transported shall be included in the freight account appropriate for the service in which the vessel is engaged and all expenses of operation of the chartered vessel shall be included in the appropriate operating-expense accounts.

§ 323.321 *Miscellaneous voyage revenue.* This account shall include all revenue accruing from other services by and activities aboard vessels, not otherwise provided for.

ITEMS

Advances, prepaid beyond and manifest transaction, net credit.
Assisting vessels in distress.
Barber shop and other services to passengers aboard vessels.
Concessions aboard vessels granted to others.
Demurrage and dispatch.
Parcel rooms aboard vessels.
Radio service aboard vessels.
Refrigeration aboard vessels.
Rent from steamer chairs and other equipment to passengers.
Sale of periodicals and newsstand supplies to passengers.
Sale of buffet and bar supplies to passengers, net credit.
Sale of stow chest supplies to crew, net credit.
Weighing and vending machines aboard vessels.

§ 323.325 *Operating differential subsidy.* This account shall be credited in the amounts accruing to the carrier under the provisions of operating-differential subsidy agreements with the United States Maritime Commission. Subsidiary accounts shall be kept to which the details shall be posted in accordance with the terms of the agreements.

§ 323.330 *Revenue from pool participation.* This account shall include the gross accruals of freight revenue in connection with pools conducted and administered by the accounting company under arrangements or agreements with other carriers for the purpose of equalizing freight revenue in accordance with pooling agreements.

It shall be charged with amounts payable to other carriers as their proportion of the freight revenue earned from such pooling agreements.

It shall also be credited with the freight revenue collectible from other carriers as the accounting company's proportion of the freight revenue earned from pools administered and conducted by other carriers under pooling agreements.

TERMINAL SERVICE

This general account shall include all revenue derived from the terminal operations of the carrier.

§ 323.335 *Terminal operations.* This account shall include all revenue derived from the rental, lease, or use by others of the carrier's terminal facilities, including dockage, side wharfage, top wharfage, storage, use of doorways, lights, furnishing water, protective service, refrigeration, precooling, and similar service.

This account shall also include any agreed amounts for the use of such facilities by the vessels owned or operated by the carrier in its line service with concurrent debits to account 365, "Interdepartmental debits."

§ 323.340 *Cargo handling operations.* This account shall include all revenue derived from the performance by the carrier for others of stevedoring and other cargo handling services, such as checking, tallying, receiving, delivering, cooperating, loading, and discharging cargo; also use of gear, equipment, etc.

This account shall also include any agreed amounts for cargo handling operations for the vessels owned or operated by the carrier in its line service with concurrent debits to account 365, "Interdepartmental debits."

§ 323.345 *Tug and lighter operations.* This account shall include all revenue derived from services performed for others by the carrier's tugs, lighters, barges, scows, launches, floating cranes, and other equipment, including rental and charter hire for use of such equipment.

This account shall also include any agreed amounts for tug and lighter operations for the vessels owned or operated by the carrier in its line service with concurrent debit to account 365, "Interdepartmental debits."

§ 323.355 *Miscellaneous terminal revenue.* This account shall include all revenue derived from operations incidental to the shipping business for which no other account is provided.

ITEMS

Charges for trucking and delivery service.
Commissions for sightseeing trips.
Penalties for lost baggage checks.
Proceeds from sale of old records.
Proceeds from sale of tariffs.
Timetable and folder advertising.

§ 323.360 *Agency fees, commissions, and brokerage.* This account shall include the revenue earned as agency fees, brokerage, and other collections for services rendered to others by the personnel of the carrier's agencies, less any amounts paid from such collections for services of subagents.

§ 323.365 *Interdepartmental debits.* This account shall be debited with any agreed amounts, which are included in the following accounts, in connection with the use and operation of the carrier's terminal facilities by vessels owned or operated by the carrier in its line service:

335. Terminal operations.
340. Cargo handling operations.
345. Tug and lighter operations.

CONDENSED REVENUE ACCOUNTS

§ 323.390 *Operating-revenue accounts to be kept by Class B maritime carriers.*

FOREIGN SERVICE

301. Freight—Foreign.
302-303. Passenger—Foreign.
304-306. Other—Foreign.

COASTWISE AND INTERCOASTAL SERVICE

311. Freight—Coastwise and intercoastal.
312-313. Passenger—Coastwise and intercoastal.
314-315. Other—Coastwise and intercoastal.

UNALLOTTED SERVICE

320. Charter revenue.
321. Miscellaneous voyage revenue.
325. Operating differential subsidy.
330. Revenue from pool participation.

TERMINAL SERVICE

335-355. Terminal operations.
360. Agency fees, commissions, and brokerage.
365. Interdepartmental debits.

OPERATING-EXPENSE INSTRUCTIONS

§ 323.0-56 *Purpose of operating-expense accounts.* The operating-expense accounts are designed to show expenses of the carrier in furnishing transportation service, and services incidental thereto including the expenses of maintenance (repairs, depreciation, and amortization) of the property used in such service.

§ 323.0-57 *Statement of operating-expense accounts.* The accounting for operating expenses shall be coincident with the transactions which create them. For the purpose of meeting this requirement, the carrier shall account for unaudited expenses upon an accrual basis.

§ 323.0-58 *Maintenance expenses.* The cost of repairs shall include the cost of replacing minor items of retired property in kind; the cost of supervision and inspecting and testing to determine the need of repairs, rearrangements, and inspecting and testing after repairs have been made; also the cost of restoring the condition of property damaged by storms, floods, accidents, fires, or other casualties in excess of amounts recovered from insurance.

§ 323.0-59 *Cost of repairs.* The several items of cost here referred to are defined as follows:

(a) "Cost of labor" includes the pay and expenses for work performed by the carrier's employees, including the pay and expenses of members of vessels' crews while actually engaged in making or supervising repairs on vessels in inactive service.

(b) "Cost of material and supplies," including small tools, is the purchase price at the point of free delivery, plus the cost of inspection and loading borne by the carrier, and a suitable proportion of store expense; it includes freight charges paid to other carriers, but shall not include freight charges over the carrier's lines. Cash discounts on material purchased which can be directly assigned shall be credited to the cost of the materials to which they apply. Other discounts shall be apportioned on the basis of the apportionment of store ex-

penses. In calculating the cost of materials, proper allowance shall be made for the value of unused portions and other salvage.

(c) "Cost of special work service" includes wages paid crews, including wages of crews held in readiness for such service; and the cost of fuel and other supplies consumed in the operation of equipment, including pile drivers, dredges, and other machines used in work service.

(d) "Contract work" includes amounts paid for repair work performed under contract by other companies, firms, or individuals, and costs incident to the awarding of the contract.

OPERATING-EXPENSE ACCOUNTS

These primary accounts are designed to show the expenses incurred by the carrier in the operation of vessels in transportation service and service incidental thereto.

TERMINATED VOYAGES

This general account shall include all voyage expenses of the carrier incurred by vessels operated in its line service.

§ 323.401 *Wages.* This account shall include the pay of the crew of vessels operated in line service, including regular wages, emergency allowances, overtime, vacation pay, and bonuses.

DECK DEPARTMENT EMPLOYEES

Boatswain.	Pilot.
Cadet.	Portman.
Captain.	Quartermaster.
Carpenter.	Sailor.
Chief officer.	Seaman.
Deck hand.	Watchman.
Mate.	Wireless operator.

ENGINEER DEPARTMENT EMPLOYEES

Assistant engineer.	Machinist.
Cadet.	Oiler.
Chief engineer.	Plumber.
Coal passer.	Pumpman.
Electrician.	Watertender.
Fireman.	Wiper.

STEWARD DEPARTMENT EMPLOYEES

Baker.	Musician.
Barber.	Nurse.
Butcher.	Pantryman.
Cabin boy.	Porter.
Chef.	Printer.
Cook.	Purser.
Dishwasher.	Steward.
Doctor.	Storekeeper.
Mess boy.	Waiter.

NOTE: When vessels are laid up in inactive service, the pay of the crew shall be included in account 451, "Wages."

§ 323.402 *Subsistence.* This account shall include the cost, including inspection and delivery on board, of food consumed by the officers, crew, and passengers of vessels operated in line service.

LIST OF SUPPLIES

Bread.	Jams and jellies.
Butter.	Milk.
Cereals.	Meat.
Cheese.	Nuts.
Coffee.	Oilies.
Crackers.	Pickles.
Cream.	Poultry.
Eggs.	Salt.
Fish.	Sugar.
Flour.	Tea.
Ice cream.	Vegetables.
Ices.	Yeast.

Rations for lifeboats shall be charged to account 404, "Stores, supplies, and equipment."

Fruits, ice cream, and other buffet supplies shall be included in account 540, "Bar accounts."

NOTE: When vessels are laid up in inactive service, the food consumed by the crew shall be included in account 452, "Subsistence."

§ 323.404 *Stores, supplies, and equipment.* This account shall include the cost of supplies and equipment used by the deck, engineering, and steward departments in the operation of vessels in line service.

Equipment includes tools, utensils, instruments, and machines of a portable or expendable nature as distinguished from more permanent equipment treated as fixtures of a vessel.

DECK AND ENGINEERING DEPARTMENT SUPPLIES

Acids.	Ice.
Antiseptics.	Kerosene.
Asbestos.	Lamps and lanterns.
Axes.	Lifeboat supplies.
Bags.	Lubricants.
Batteries.	Lumber.
Bits.	Maps.
Blocks.	Marline spikes.
Bolts.	Medical supplies.
Braces.	Metal polish.
Brass sheets.	Mops and pails.
Bricks.	Matches.
Brooms and brushes.	Nails.
Buckets.	Nozzles.
Burlap.	Nuts.
Candles.	Padlocks.
Cans.	Paint and remover.
Canvas.	Paste.
Caps.	Pennants.
Cement.	Plugs.
Chalk.	Potash.
Charts.	Pumice stone.
Cheesecloth.	Putty.
Chemicals.	Rags.
Chisels.	Rivets.
Clamps.	Rockets.
Couplings.	Rope.
Cups.	Sail needles.
Dies.	Sandpaper.
Disinfectants.	Sawdust.
Drills.	Saws.
Dry cells.	Screw drivers.
Dusters.	Screws.
Electrical supplies.	Sheet rubber.
Emery.	Shovels.
Express and freight delivery cost.	Signal oil.
Falls.	Soap and powder.
Files.	Soda ash.
Fire fighting supplies.	Solder.
First aid kits.	Sponges.
Flags.	Springs.
Flashlights.	Staples.
Fuses.	Stoppers.
Gaskets.	Tacks.
Gasoline.	Tallow.
Globes.	Tape.
Glue.	Tar.
Glycerine.	Ties.
Graphite.	Torches.
Grease.	Twine.
Hand tools.	Waste.
Hardware.	Washers.
Hose.	Wire.
	Wrenches.

STEWARD DEPARTMENT SUPPLIES

Aprons.	Express and freight delivery cost.
Bedding.	Floral decorations.
Books.	Fuel.
Brooms and brushes.	Glassware.
Caps.	Ice.
Chinaaware.	Kitchen utensils.
Cooking utensils.	Liners.
Crockery.	

Matches.
Mattresses and covers.
Menus.
Music.
Musical instrument.
Nut cracker.
Pails.
Phonograph records.
Polish.

Radio parts.
Silverware.
Soap.
Stationery and supplies.
Tableware.
Toilet paper.
Tooth picks.
Towels.
Uniforms.

NOTE: When vessels are laid up in inactive service, the supplies and equipment used shall be charged to account 454, "Stores, supplies, and Equipment."

§ 323.406 *Other maintenance expenses.* This account shall include the cost of repairing and keeping fixtures and equipment of vessels operating in line service, in serviceable condition, including inspection, and consists of work which is usually performed by the crew.

REPRESENTATIVE ITEMS

Bell pulls, whistle controls, and sound tubes, repair of.
Bilge cleaning.
Boilers.
Carpets, repair of.
Chronometers.
Cleaning boiler tubes.
Cleaning brickwork.
Cleaning cargo holds (not for reception of cargo).
Cleaning fireroom.
Cleaning tanks (not for reception of cargo).
Compasses.
Coppersmith work.
Doors and fixtures, repair of.
Dry cleaning.
Electric wiring, repair of.
Electric fixtures, repair of.
Galley range.
General alarm system.
Grate bars, replacing.
Installing windows.
Labor, cleaning pantry and scraping vessel.
Laundry.
Mending linens, curtains, etc.
Navigation instruments.
Radio.
Renewing plumbing fixtures.
Repairing kitchen equipment.
Repair and replating tableware.
Repair lockers.
Repair cash registers.
Repair furniture and fixtures.
Repair locks.
Repair nautical instruments.
Repair rigging and tackle.
Repair clocks.
Repair typewriters and office machines.
Surveys.
Tinsmith work.
Upholstering.

NOTE: When vessels are laid up in inactive service, items chargeable to this account shall be charged to account 458, "Repairs."

§ 323.407 *Fuel.* This account shall include the cost of coal, oil, and other fuel used for generating power, heat, and light for the operation of vessels in line service. This account shall also include a proper proportion of the cost of analyzing, testing, inspecting, etc., incurred in the purchase of fuel, and the cost of steam or electricity purchased.

NOTE: When vessels are laid up in inactive service, such expenses shall be charged to account 457, "Fuel."

§ 323.408 *Repairs performed.* This account shall include the cost of labor and material expended in making repairs to vessels operated in line service (not recoverable from insurance), which

are attributable to the replacement or restoration to a satisfactory condition, of damaged and worn parts of such vessels and their fixtures, machinery, and equipment, including permanent spare parts required by classification societies.

REPRESENTATIVE ITEMS

(a) Repairs to hull:

Beam frames, floors, girders, stringers.
Bulkheads.
Cargo lights and accessories.
Cargo ports and hatches.
Caulking decks.
Cost of surveys.
Credit for salvaged material.
Deckhouses, doors, windows, companionways, and skylights.
Decks and superstructure.
Derricks and cranes.
Drydocking and painting.
Fire and general alarm systems.
Hold stanchions and ladders.
Loud speakers.
Mechanical work on deck fittings and appliances.
Miscellaneous hull work.
Railings, port lights, scuttles, and ventilators.
Rudder attachments.
Sheet and deck plating, bulkheads, tanks, and tops.
Sluice gates, bilge suction pipes, and scuppers.
Sprinklers.
Steering-gear loads, sheaves, and controlling fixtures.
Tonnage openings, closing of.

(b) Repairs to machinery:

Air-conditioning equipment.
Air pumps.
Ash-holding apparatus.
Auxiliary condenser.
Boiler, ash pans, guards, and other repairs.
Boiler furnace and combustion chambers.
Boiler heads and shell.
Boiler smoke pipe, uptakes, and furnace fronts.
Boiler tubes, valves, and mountings.
Blower and airducts.
Capstans.
Cargo winches.
Dynamometers and electric fittings.
Electric generator and switchboard.
Engine and boiler room floor plates and supports.
Evaporators, filter tank, and donkey tank.
Holsters.
Insulation.
Main condensers.
Main engine parts and bearings.
Piping fixtures and valves (not including sanitary, heating, refrigerating, and fresh water).
Propeller, shafting, and stern tube.
Refrigerator equipment.
Steering engine.
Ventilating fans.
Windlass.

(c) Repairs to fixtures:

Brickwork, tiling, asphaltting, cementing.
Drinking tanks, filters, fountains.
Heating systems.
Ice boxes, refrigerating pipes, and insulation.
Sanitary system and drains.
Water (fresh) supply, hand pumps, and sinks.

(d) Miscellaneous.

Expenses, such as towing vessels to and from repair yards, and docking and undocking.

NOTE: When vessels are laid up in inactive service, repairs chargeable to this account shall be charged to account 458, "Repairs."

§ 323.410 *Insurance; hull and machinery.* This account shall include the cost of insuring with insurance companies or by self-carried risks, insurance for protection of the carrier against loss

or damage sustained by vessels operated in line service due to accidents, perils of the sea, fire, or other causes, when the loss will be recovered from underwriters or charged to the insurance reserve.

This account shall also include the expenses in connection with hull and machinery loss, or damage claims of an insurable nature where the vessels are self-insured but no reserve is carried.

NOTE: When vessels are laid up in inactive service, the cost of insuring the hull and machinery shall be charged to account 460, "Insurance—Hull and machinery."

§ 323.411 *Insurance; protection and indemnity.* This account shall include the cost of insuring with insurance companies or by self-carried risks; insurance for protection of carrier against loss or damage to cargo, injuries or illness of crew or passengers, crew repatriation, damage to piers or docks, or other losses in connection with vessels operated in line service, including penalties imposed by governmental authority.

This account shall also include the expenses in connection with protection and indemnity loss or damage claims of an insurable nature, where a vessel is self-insured, but no reserve is carried.

NOTE: When vessels are laid up in inactive service, the cost of insuring for protection and indemnity shall be charged to account 461, "Insurance—Protection and indemnity."

§ 323.412 *Insurance; other.* This account shall include the cost of insuring the carrier against loss or damage in connection with vessels operated in line service not provided for elsewhere.

NOTE: When vessels are laid up in inactive service, the cost of such insurance shall be charged to account 464, "Miscellaneous."

§ 323.413 *Charter hire.* This account shall include amounts payable by the carrier as charter hire for the charter from others of vessels operated in line service. It shall also include amounts payable as a guaranty for hire of vessels under agreements providing for the division of profits between the charter parties.

The carrier shall include the amount payable to the lessor as charter hire in this account, and shall allocate to the appropriate accounts in operating expenses any additional expenses of operation incurred and borne by it.

§ 323.414 *Other vessel expenses.* This account shall include expenses incurred incident to the operation of vessels in line service which are not properly chargeable to other accounts under line service.

ITEMS

Ashes, removal of.
Bill of health.
Delivering pay-roll money.
Dispatch.
Emblems.
Expenses, securing crew.
Expenses, transporting crew.
Fresh water.
Garbage service.
Inventory expense.
Launch hire.
Lights, when ship is dead.
Master, expenses of.
Medical examination of personnel.
Purser, expenses of.
Pay-roll insurance.
Rental, radio equipment.

Rental, submarine signals.
Seaworthy certificate.
Steam furnished.
Taxi hire.
Watching stores.

NOTE: When vessels are laid up in inactive service, such expenses shall be charged to account 464, "Miscellaneous."

§ 323.415 *Agency fees and expenses.* This account shall include amounts payable as fees and commissions to agents and subagents and amounts paid as brokerage to agents at outports appointed to look after the carrier's interest who are compensated on the basis of an allowance or charge for agency or attendance fee.

§ 323.416 *Wharfage and dockage.* This account shall include amounts payable for the privilege of using the docks, wharves, piers, floats, and similar property of others for loading and discharging cargo, and mooring vessels operated in line service.

NOTE: When vessels are laid up in inactive service, the expenses of wharfage and dockage shall be charged to account 462, "Wharfage and dockage."

§ 323.417 *Other port expenses.* This account shall include amounts payable as port expenses, including pilotage, tug hire, certificates, dues, permits, and taxes at ports of call.

ITEMS

Anchor dues.
Bridge, openings.
Brokerage, customs.
Buoy hire.
Cargo dues.
Certificates, loading, discharge.
Chamber of Commerce dues.
Clearance dues and fees.
Consular charges.
Contributions to hospital.
Customhouse dues and overtime.
Entry dues and fees.
Fumigation.
Handling lines.
Harbor dues.
Health and immigration office fees.
Launch hire.
Lighthouse dues.
Mooring and unmooring.
Packet privileges.
Permits, loading, discharge.
Pilotage.
Port dues and taxes.
Quarantine charges.
Running lines.
Sanitary dues.
Shifting vessel.
Stamp dues.
Tonnage tax.
Towage.
Tug hire.
Watching vessel.

NOTE: When vessels are laid up in inactive service, port charges shall be charged to account 463, "Port expenses."

§ 323.418 *Stowage.* This account shall include the cost of loading and handling cargo from piles on the pier or in pier sheds, or from tracks, cars, barges, lighters, scows, or booms alongside and stowing it in or on any part of the vessel; also the cost of discharging cargo from any part of the vessel onto the pier or into pier sheds, or on or in cars, barges, lighters, scows, or booms alongside the vessel and piling on pier, or in pier sheds, except when assumed by the shipper or consignee. It shall also include the hire of

gear, slings, hatch bridles, hatch tents, and heavy lift charges.

This account shall also include transportation, traveling time, and meals of stevedores and longshoremen, and time of longshoremen in landing at and shifting barges and lighters at terminals.

It shall also include amounts payable to others for loading and discharging vessels, including Federal pensions and unemployment taxes, workmen's compensation, public liability, and property damage insurance.

ITEMS

Amounts paid employees for standby or idle time.
Breaking down shipments piled on docks, loading and trucking to vessels.
Breaking down cargo in vessels, discharging, and loading trucks.
Installing cargo battens, trimmers, shifting boards, and dunnage.
Loading, stowing, and unloading cargo.
Loading and discharging baggage, mail, and express.
Loading and discharging lighters direct to and from vessels.
Opening and closing holds, and placing and taking in skids and nets.
Operating escalators or conveyors.
Piling cargo.
Rigging and taking down gear.
Trucking between lighters, cars, or docks and vessels.
Winchmen, switchmen, foremen, and bosses.

§ 323.420 *Other cargo expenses.* This account shall include the cost of receiving and delivering cargo, cooerage, and other expenses in connection with handling cargo not covered by account 418, "Stevedoring."

It shall include the pay of employees engaged in:

Cleaning holds and tanks for reception of cargo.
Coopering cargo.
Receiving, delivering, checking, tallying, measuring, and weighing cargo.
Shifting cargo on docks.
Stenciling and marking cargo.
Watching cargo.

It shall also include the following expenses:

Cartage of baggage, mail, and express.
Cooperage supplies and material.
Cost of cargo loading hose and fittings.
Crayons and chalk for marking; material for packing and tagging cargo; sawdust, burlap, shavings, and dunnage; seals for cars; and gasoline for tractors.
Demurrage on cars and lighters.
Electric lighting for loading and discharging cargo.
Extra allowance for handling dangerous or dirty cargo.
Hire of cranes, derricks, barges, and lighters.
Installation of special cargo fittings.
Insurance premiums on workmen's compensation, unemployment, and public liability based on labor costs charged to this account.
Lighter and train crew overtime.
Loading fodder for cattle.
Meals for wharfingers.
Shifting barges and lighters by tugs.
Surveys of cargo and hatches.

§ 323.423 *Canal tolls.* This account shall include amounts payable as tolls for the passage of vessels operated in line service through ocean canals.

§ 323.424 *Miscellaneous voyage expenses.* This account shall include mus-

cellaneous expenses of operating vessels in-line service not provided for elsewhere.

ITEMS

Advances, prepaid beyond and manifest transactions, net, debit.
Arrival notice.
Ballast expense.
Bank commissions.
Buffet and bar supplies, net debit.
Cargo plans.
Demurrage.
Extending and noting protest.
Postage.
Slop chest supplies, net debit.
Stowage plans.
Telephone calls and messages.

NOTE: When vessels are laid up in inactive service, such expenses shall be charged to account 464, "Miscellaneous."

INACTIVE VESSEL EXPENSE

This general account shall include expenses incurred by the vessels ordinarily operated by the carrier in line service, but not in operation and laid up, during inactive periods.

The following primary accounts shall be maintained:

§ 323.451 *Wages.*
§ 323.452 *Subsistence.*
§ 323.454 *Stores, supplies, and equipment.*
§ 323.457 *Fuel.*
§ 323.458 *Repairs.*
§ 323.460 *Insurance; hull and machinery.*
§ 323.461 *Insurance; protection and indemnity.*
§ 323.462 *Wharfage and dockage.*
§ 323.463 *Port expenses.*
§ 323.464 *Miscellaneous.*

OTHER EXPENSE

This general account shall include all expenses incurred by the carrier in maintaining and operating its terminal facilities.

§ 323.470 *Expense of pool participation.* This account shall include contributions made by the accounting company and charges assessed against it by other carriers in connection with the operation of pools conducted and administered by other companies for the purpose of equalizing revenues, in accordance with pooling agreements.

It shall be credited with amounts receivable by the accounting company from other carriers as their proportion of the expenses of pooling agreements conducted and administered by the carrier.

§ 323.471 *Expense of terminal operations.* This account shall include the expenses incurred by the carrier in maintaining and operating its terminal facilities, such as salaries, wages, rents, heat, light, power, repairs, dredging, insurance, and other expenses of terminal operation.

This account shall also include the expenses incurred by the carrier in maintaining and operating its terminal facilities, which are used by or leased to others, and the revenue from which is includible in account 335, "Terminal operations."

This account shall also include agreed amounts for use of terminal facilities by vessels owned or operated by the carrier

in its line service, with concurrent credit to account 475, "Interdepartmental credits."

§ 323.472 *Expense of cargo handling operations.* This account shall include the expenses incurred by the carrier in performing stevedoring and other cargo handling at terminals and ports, when such expenses are not includible in account 418, "Stevedoring," or 420, "Other cargo expenses," including all costs of cargo handling operations performed for others, the revenue from which is includible in account 340, "Cargo handling operations."

This account shall also include agreed amounts for cargo handling operations in connection with vessels owned or operated by the carrier in its line service with concurrent credit to account 475, "Interdepartmental credits."

§ 323.473 *Expense of tug and lighter operations.* This account shall include the expenses incurred by the carrier in maintaining and operating its tugs, lighters, barges, scows, launches, floating cranes, and similar equipment employed in its terminals and ports, including labor handling, loading, and discharging cargo from lighters, except when performed directly to and from vessels.

It shall also include the cost of tug and lighter service performed for others, the revenue from which is includible in account 345, "Tug and lighter operations."

It shall also include agreed amounts for tug and lighter service in connection with vessels owned or operated by the carrier in its line service with concurrent credit to account 475, "Interdepartmental credits."

§ 323.474 *Expense of other shipping operations.* This account shall include the expenses incurred by the carrier in repairing and otherwise performing terminal operations incident to the shipping business.

This account shall also include agreed amounts for other shipping operations in connection with vessels owned or operated by the carrier in its line service with concurrent credit to account 475, "Interdepartmental credits."

§ 323.475 *Interdepartmental credits.* This account shall be credited with agreed amounts, which are included in the following accounts, in connection with the use and operation of the carrier's terminal facilities by vessels owned or operated by the carrier in its line service:

471. Expenses of terminal operations.
472. Expense of cargo handling operations.
473. Expense of tug and lighter operations.
474. Expense of other shipping operations.

ADMINISTRATION AND GENERAL EXPENSE

This general account shall include all expenses of a general character incurred by the carrier in the operation of its shipping business.

§ 323.476 *Salaries of officers.* This account shall include the pay of general officers and their assistants, including fees of receivers and trustees and commission in lieu of salaries.

LIST OF OFFICERS

Auditor.	Marine superintendent.
Chairman and president.	Port captain.
Comptroller.	Port engineer.
Claim agent.	Port steward.
General counsel.	Purchasing agent.
General manager.	Receiver.
General superintendent.	Secretary.
General traffic agent.	Treasurer.

§ 323.477 *Wages of employees.* This account shall include the pay of clerks and attendants of the general officers whose salaries are includible in account 476, "Salaries of officers."

§ 323.478 *Legal and accounting fees and expenses.* This account shall include fees, retainers, and other expenses for professional services of attorneys, auditors, accountants, and others, including cost of law books, legal forms, testimony, notarial and witness fees, law and court expenses, and audit reports of investigations and lawsuits.

§ 323.479 *Rent, heat, light, and power.* This account shall include the cost of light, heat, power, water, and air conditioning; also rents payable for use of buildings, general offices, and storage space.

§ 323.480 *Communication expenses.* This account shall include the cost of telephone, telegraph, cable, radio, teletype, and all other communication services.

§ 323.481 *Office supplies, stationery, and printing.* This account shall include the cost of office supplies and of stationery and printing used in general offices, including the cost of printing annual reports, contracts, leases, and passes.

§ 323.482 *Membership dues and subscriptions.* This account shall include membership dues and fees in associations and subscriptions to periodicals and newspapers.

§ 323.483 *Entertaining and solicitation.* This account shall include expenses of canvassing and soliciting traffic, commissions paid tourist and outside agents for solicitation and procurement of traffic, and all entertaining expenses.

§ 323.484 *Traveling expenses.* This account shall include all traveling expenses of general officers and their employees on official business of the company.

§ 323.485 *Insurance and bond premiums.* This account shall include insurance premiums, including credits to insurance reserve to cover self-carried risk from loss or damage, not provided for elsewhere.

It shall also include premiums on fidelity bonds of general officers and employees to protect the company from loss; also premiums on insurance, such as burglary, theft, and robbery.

§ 323.486 *Taxes.* This account shall include taxes on old age benefits, unemployment compensation, social security, and similar taxes computed on basis of payroll, not provided for elsewhere.

§ 323.487 *Postage.* This account shall include the cost of postage for mailing

official business, including parcel post and registered mail, not provided for elsewhere.

§ 323.488 *Maintenance of office equipment.* This account shall include the cost of repairing general office equipment, furniture, and machines. It shall also include the rental of tabulating machines and office equipment.

§ 323.489 *Miscellaneous.* This account shall include all expenses of a general character for which no other account is provided.

ITEMS

Armored car service.
Clipping service.
Credit investigations.
Draping buildings.
Donations to Y. M. C. A., etc.
Fees and expenses of directors.
Office cleaning service.
Publishing notice of stockholders' meetings.
Publishing corporate and financial reports.
Registrar and transfer agent's fees.
Rent of safe deposit boxes.
S. E. O. fees.
Towel service.
Watchman service.

§ 323.490 *Management and operating commissions.* This account shall include commissions accruing and payable to other persons or concerns acting as managing or operating agents of the carrier, where the carrier does not maintain an operating organization. It does not include the customary agency fees, commissions, and brokerage paid general and subagents at outports, which latter shall be charged to account 415, "Agency fees and expenses."

§ 323.491 *Advertising.* This account shall include the cost of advertising, including the cost of preparing, publishing, and distributing advertising matter.

DEPRECIATION AND AMORTIZATION

This general account shall include all expenses accrued for depreciation or amortization of all property operated in transportation service by the carrier which is subject to depreciation accounting.

§ 323.497 *Depreciation of property and equipment.* This account shall include the amount of depreciation, accruals applicable to the accounting period for depreciable property and equipment operated by the carrier.

§ 323.498 *Depreciation adjustment.* This account shall include the difference between the amount of depreciation accruals credited to account 170, "Reserve for depreciation—Property and equipment," with respect to each unit retired from service, and the book cost of said unit, less the selling price or the amount of net salvage or insurance recovered from the retired unit.

§ 323.499 *Amortization of improvements on leased property.* This account shall include the amount of amortization accruals applicable to the accounting period for improvements made by the carrier on leased property which it operates in transportation service.

The amortization charges shall be computed so as to distribute the service value of the improvements in equal an-

nual charges over the period of their useful life in the service of the carrier.

CLEARING ACCOUNTS

§ 323.500 *Masters.* This account shall be charged with amounts advanced or other items due from masters, and shall be credited with vessels' pay rolls, allowable expenses, and unexpended cash balance.

§ 323.505 *Pursers.* This account shall be charged with cash advanced to pursers and credited with endorsed traveling checks and other disbursements and allowable expenses and unexpended cash balances.

§ 323.535 *Advances, prepaid beyond, and other manifest items.* When vessel manifests are accounted for, this account shall be credited with advanced and prepaid beyond charges, and miscellaneous manifest items, such as consular fees, cargo insurance, handling, transshipment, and transfers. It shall be charged with the expenses covered by these collections. As transactions of terminated voyages are completed and audited, if the balance in this account is a net debit, it shall be transferred to account 424, "Miscellaneous voyage expenses," and if a net credit, to account 321, "Miscellaneous voyage revenue."

§ 323.540 *Bar accounts.* This account shall be charged with the inventory of bar supplies aboard vessels at the beginning of a voyage or period, and with all purchases of bar supplies during the voyage or period. It shall be credited with the inventory of bar supplies on hand at the end of each voyage or period and with all sales during the voyage or period. As transactions applicable to completed voyages or periods are audited, if the balance in this account is a net debit, it shall be transferred to account 424, "Miscellaneous voyage expenses," and if a net credit, to account 321, "Miscellaneous voyage revenue."

§ 323.545 *Slop chest account.* This account shall be charged with the inventory of slop chest supplies aboard vessels at the beginning of a voyage or period, and with all purchases of slop chest supplies during the voyage or period. It shall be credited with the inventory of slop chest supplies on hand at the end of the voyage or period and with all sales during the voyage or period. As transactions applicable to completed voyages or periods are audited if the balance in this account is a net debit, it shall be transferred to account 424, "Miscellaneous voyage expenses," and if a net credit, to account 321, "Miscellaneous voyage revenue."

§ 323.551 *Material store expense.* This account shall be charged with the cost of supervision, labor, material, and miscellaneous expenses incurred in the operation of material and stationery stores. The charges shall include the cost of receiving, storing, handling, and issuing materials, supplies, and stationery. Cash discounts which cannot be applied to the cost of particular classes of material shall be credited to this account.

For the purpose of clearing this account, the carrier shall add to the cost of material, supplies, and stationery is-

sued from material stores a suitable loading charge which will fairly distribute the store expense equitably over the store issues.

To avoid monthly fluctuations in the ratio of store expense to the cost of material, supplies, and stationery issued, the carrier is permitted to adopt a fair percentage rate in making monthly apportionments, provided this account is properly adjusted at least once a year.

ITEMS

Adjustment of inventories, when not assignable to particular items.
Books, printing, and stationery supplies.
Building service.
Collecting, handling, and disposing of scrap and obsolete material.
Communication service.
Discount on purchases when not assignable to particular items.
Freight, express, and drayage when not assignable to particular items.
Heat, light, and power for storerooms and offices.
Injuries and damages.
Inspecting and testing.
Insurance.
Loss and damage due to breakage, leakage, fire, or other causes, less credits received from insurers, common carriers, or others to reduce such losses.
Pay and expenses of storekeepers, clerks, fire, or other causes, less credits received handling, and issuing material, supplies, and stationery.
Postage.

§ 323.561 *Vehicle operation.* This account shall be charged with the cost of supervision, labor, material, and other expenses incurred in the maintenance and operation of vehicles and other service equipment. The carrier shall clear this account by apportioning all expenses to the appropriate accounts in operating expenses on a fair and equitable basis, according to the benefit derived.

ITEMS

Books, stationery, printing, postage, and office supplies.
Communication service.
Fuel and lubricants.
Injuries and damages.
Insurance.
License fees for vehicles and drivers.
Maintenance of buildings and equipment.
Operation of garages.
Pay and expenses of drivers, mechanics, etc.
Tires, tubes, and chains.

CONDENSED EXPENSE ACCOUNTS

§ 323.590 *Operating - expense accounts to be kept by Class B maritime carriers.*

TERMINATED VOYAGES

401. Wages.
402-404. Subsistence and stores.
407. Fuel.
406 and
408. Repairs.
410-412. Insurance.
413. Charter hire.
414-417. Other voyage expenses.
418-420. Stevedoring.
423. Canal tolls.
424. Miscellaneous voyage expenses.

INACTIVE VESSEL EXPENSE

451-464. Lay-up expenses.

OTHER EXPENSE

470. Expense of pool participation.
471-474. Terminal operations.
475. Interdepartmental credits.

ADMINISTRATION AND GENERAL

476-481. General office expenses.
482-483. Membership and solicitation.
484. Traveling expenses.
485. Insurance premiums.
486. Taxes.
487-489. Miscellaneous.
490. Management and operating commissions.
491. Advertising.

DEPRECIATION AND AMORTIZATION

497. Depreciation.
498. Depreciation adjustment.
499. Amortization of improvements on leased property.

INCOME INSTRUCTIONS

§ 323.0-46 *Purpose of income accounts.* The income accounts are designed to show for each calendar year the amount of money that a carrier becomes entitled to receive for transportation services rendered, the income accrued upon investments in securities and non-carrier property, the accrued costs payable for the transportation services rendered, the amounts accrued for taxes, for use of moneys, for use of properties of others, accounting adjustments attributable to prior years, and reservations and appropriations of income during the period.

§ 323.0-47 *Statement of income accounts.* The accounting for income shall be coincident with the transactions which create them. For the purpose of meeting this requirement, the carriers shall account for unaudited income upon an accrual basis.

INCOME ACCOUNTS

CREDIT ACCOUNTS

§ 323.601 *Water-line operating revenue.* This account shall include the total operating revenues as recorded in accounts 301 to 365, inclusive.

§ 323.602 *Income from nonshipping property and equipment.* This account shall include the income derived from nonshipping property and equipment owned or operated by the carrier.

§ 323.603 *Dividend income.* This account shall include dividends received on capital stock of other companies, the income from which is the property of the carrier. Dividends may be credited prior to actual collection if their payment is reasonably assured by past experience, guaranty, anticipated provisions, or otherwise. This account shall not include dividends on capital stock issued or assumed and owned by the carrier.

§ 323.604 *Interest income.* This account shall include interest accruals on securities of other companies, the income from which is the property of the carrier. It shall also include interest on bank balances, certificates of deposit, open accounts, and similar items.

Interest shall not be credited before actual collection unless its payment is reasonably assured by past experience, guaranty, anticipated provisions, or otherwise.

This account shall not include interest on securities issued or assumed and owned by the carrier.

§ 323.605 *Income from sinking and other funds.* This account shall include the income accruals on cash, securities of other companies, and other assets held in sinking or other funds. Credits to this account, of income from special funds retainable therein, shall be concurrently charged to account 633, "Miscellaneous reservations of income," and credited to account 298, "Earned surplus—Appropriated."

No dividends or interest on securities issued or assumed by the carrier shall be included in this account.

§ 323.606 *Release of premium on long-term debt.* This account shall include for each fiscal period such proportion of the premium on outstanding long-term obligations as is applicable to such period.

§ 323.607 *Miscellaneous income.* This account shall include all income not provided for elsewhere, such as:

Profits from conversion of foreign currencies.

Fees collected in connection with exchange of coupon bonds for registered bonds.

§ 323.608 *Delayed income credits.* This account shall include income credits and adjustments relating to operating revenues, operating expenses, or income, arising during the current year and applicable to prior years, for which no provision was previously made, and which are relatively so large that their inclusion in the current accounts would seriously distort those accounts.

Entries to this account shall include sufficient detail to indicate the primary accounts to which they relate.

DEBIT ACCOUNTS

§ 323.620 *Water-line operating expense.* This account shall include the total operating expenses recorded in accounts 401 to 499, inclusive.

§ 323.621 *Water-line tax accruals.* This account shall include accruals for all taxes (except income and excess profits taxes) relating to water-line property, equipment, or operations, whether based upon the valuation of the property, amount of securities issued or outstanding, gross or net earnings, or other basis; also taxes for issuing and recording mortgages or other evidences of debt.

The taxes on leased shipping property shall be included in this account by the carrier obligated to assume such taxes under the lease.

When taxes are levied and the amount includible in this account is not definitely stated, the amount levied shall be equitably apportioned between the appropriate accounts.

Taxes on long-term debt, paid at source under tax-free covenants, shall be charged to account 627, "Miscellaneous income charges."

Taxes collected from others, and payable to various taxing agencies, shall be credited to account 211, "Traffic accounts payable."

§ 323.623 *Expenses of nonshipping property and equipment.* This account shall include all expenses, including depreciation, insurance, taxes, rent, etc.,

of maintaining and operating nonshipping property and equipment owned or operated by the carrier.

§ 323.625 *Maintenance of investment organization.* This account shall include organization and administration expenses of lessor companies whose water-line property and equipment is leased to others for operation; also investments in securities.

Advertising annual reports.
Directors' fees.
Law expenses.
Office expenses.
Printing and mailing dividend checks.
Publishing and mailing annual and other corporate reports and statements.
Salaries of officers, clerks, and other employees.
Stationery and printing.

§ 323.626 *Uncollectible accounts.* This account shall be charged with amounts estimated as sufficient to provide for loss from uncollectible accounts receivable. Concurrently, such amounts shall be credited to account 130, "Reserve for doubtful accounts," which latter account shall be charged with amounts determined to be uncollectible after a diligent effort to collect. This account may also be charged with uncollectible accounts in cases where because of the few items involved no reserve has been established.

§ 323.627 *Miscellaneous income charges.* This account shall include amounts properly chargeable to income, not provided for elsewhere, such as:

Call for bids in accordance with provision of mortgages.
Cost of advertising bonds drawn for redemption.
Losses due to conversion of foreign currencies.
Premiums on bonds to assure performance of contracts when chargeable to income.
Taxes on interest on funded debt payable at source under tax-free covenants.
Trusts, current expenses of maintaining and administering.
Trustees' commissions and fees for paying bond interest on coupons and expenses connected with such payments.

§ 323.628 *Interest on funded debt.* This account shall include the current accruals of interest on all classes of funded debt.

It shall not include interest on funded debt issued or assumed and owned by the carrier.

Interest included in the face value of securities issued in acquiring property or equipment shall be charged to account 190, "Prepayments," and cleared to this account as it accrues.

Interest on matured funded debt shall be charged to account 629, "Interest on unfunded debt."

§ 323.629 *Interest on unfunded debt.* This account shall include the current accruals of all interest except interest chargeable to account 628, "Interest on funded debt."

§ 323.630 *Amortization of discount on long-term debt.* This account shall include for each fiscal period such proportion of the discount and expense on outstanding long-term debt as is applicable to the period.

§ 323.631 *Miscellaneous amortization charges.* This account shall include current charges for amortization of discount, commissions, and expense on capital stock of the carrier; also expenses of organization and other items properly includible in income, if the carrier elects to amortize such items by regular charges to income in such manner as will equitably distribute the amounts over appropriate periods.

§ 323.632 *Income taxes.* This account shall include current accruals of taxes, based on the carrier's income and excess profits.

§ 323.633 *Miscellaneous reservations of income.* This account shall include appropriations or reservations of income for sinking and other funds, and accretions on the contents of such funds when retainable therein; also appropriations of income not provided for elsewhere.

Amounts charged to this account shall be concurrently credited to account 293, "Earned surplus—Appropriated."

§ 323.634 *Delayed income debits.* This account shall include delayed income debits and adjustments relating to operating revenues, operating expenses, or income, arising during the current year and applicable to prior years, for which no provision was previously made and which are relatively so large that their inclusion in the current accounts would seriously distort these accounts.

Entries to this account shall include sufficient detail to indicate the primary accounts to which they relate.

SURPLUS INSTRUCTIONS

§ 323.0-41 *Purpose of unearned surplus account.* The unearned surplus account is designed to show surplus arising from sources other than earned surplus.

§ 323.0-42 *Purpose of earned surplus account.* The earned surplus accounts are designed to show the changes in earned surplus during each calendar year as affected by the balance of the income account as reported for the period; by any disposition of earned surplus made solely at the option of the carrier; and by miscellaneous gains or losses not provided for elsewhere.

EARNED SURPLUS; UNAPPROPRIATED

CREDIT ACCOUNTS

§ 323.781 *Net income balance.* The net balance of all income accounts shall be closed into this account at the end of each calendar year.

§ 323.782 *Credits from property and equipment retired.* This account shall include the net proceeds in excess of the book cost realized from the sale or disposition of transportation property. In determining the net proceeds, any expense in connection with the sale or preparing the property for sale shall be deducted from the selling price.

§ 323.783 *Miscellaneous credits.* This account shall include amounts creditable to earned surplus, including amounts representing increases of resources not properly assignable to other accounts. Among the items are:

Adjustment of depreciation reserve when authorized by the Commission.
Cancellation of liability accounts (including unclaimed wages) written off because of inability to locate the creditor.
Credits resulting from adjustments required to bring to par debt obligations issued or assumed by the carrier and reacquired at less than par value.
Items, except revenue overcharges, erroneously collected and retained because of inability to make refund.
Profits derived from sale of investment securities.
Profits derived from sale of nonshipping property and equipment.
Recovery of fines previously charged to earned surplus.
Remittances received from anonymous sources when it is not known the purpose for which remitted.
Unreleased premiums on long-term debt reacquired before maturity.

DEBIT ACCOUNTS

§ 323.784 *Recapture profits; United States Maritime Commission.* This account shall include excess profits that accrue to the United States Maritime Commission under the "recapture" clauses in sections 606 and 607 of the Merchant Marine Act of 1936, which are credited to account 263, "Recapture profits—United States Maritime Commission."

§ 323.785 *Miscellaneous debits.* This account shall include amounts chargeable to earned surplus, including amounts written off and payments not properly chargeable to other accounts. Among the items are:

Adjustment of land values.
Book cost (in excess of reserve provisions) of property reverting to lessor.
Contributions for charitable, social, or community welfare purposes which are not connected with protection of its property, development of its business, or welfare of its employees.
Debits resulting from adjustments to bring to par long-term obligations issued or assumed by the carrier and reacquired at more than par value.
Discount and expense on capital stock remaining at time of its reacquirement, in excess of the pro rata portion absorbed in unearned surplus.
Adjustments of the depreciation reserves when authorized by the Commission.
Loss of funds due to bank failures.
Losses resulting from sale, destruction, or abandonment of nonshipping property and equipment.
Payments of liability accounts previously written off through earned surplus.
Penalties and fines for violation of Federal or State laws when not specifically provided for elsewhere.
Unextinguished discount and expense on funded debt reacquired before maturity.

§ 323.787 *Miscellaneous reservations of earned surplus.* This account shall include appropriations or reservations of earned surplus, set aside in special reserves, including amounts appropriated to sinking and other special funds maintained by the carrier.

Amounts charged to this account shall be credited to account 293, "Earned surplus—Appropriated."

Similar appropriations made from income shall be charged to account 633, "Miscellaneous reservations of income."

The use of this account is conditional upon the carrier's having an adequate credit balance in earned surplus.

§ 323.788 *Dividend appropriations of earned surplus.* This account shall include amounts definitely declared payable from earned surplus as dividends on actually outstanding capital stock issued or assumed by the carrier, other than debenture stock. If a dividend is not payable in cash, the consideration shall be described with sufficient particularity to identify it.

This account shall not include dividends on capital stock issued or assumed by the carrier and owned by it, whether pledged as collateral, held in its Treasury, in special deposits, or other special funds.

[F. R. Doc. 47-9875; Filed, Oct. 28, 1947; 8:49 a. m.]

[49 CFR, Part 101]

MODIFICATION OF UNIFORM SYSTEM OF ACCOUNTS FOR STEAM RAILROADS, ISSUE OF 1943

NOTICE OF PROPOSED RULE MAKING

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 16th day of October A. D. 1947.

The matter of the "Uniform System of Accounts for Steam Railroads, Issue of 1943," being under consideration by the division pursuant to the provisions of section 20 of the Interstate Commerce Act, as amended, and the following modifications being deemed necessary for administration of part I of the act (24 Stat. 386, 54 Stat. 917, 49 U. S. C. 20 (3)), *It is ordered, That:*

(1) Any interested party may on or before November 22, 1947, file with the Commission's Secretary a written statement of reasons why the said modifications should not become effective as hereinafter ordered and request oral argument thereon, which request will be granted if the reasons be substantial; and,

(2) Unless otherwise ordered after consideration of such objections, the said modifications shall become effective January 1, 1948; and,

(3) A copy of this order shall be served upon every steam railroad subject to the act and upon every trustee, receiver, executor, administrator, or assignee of any such steam railroad, and notice of this order shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

By the Commission, Division 1.

[SEAL]

W P BARTEL,
Secretary.

MODIFICATIONS

EXPENSE ACCOUNTS; GENERAL

1. In § 10.457 *Pensions*, cancel the title, text, and note of this account, and substitute the following:

§ 10.457 *Pensions and gratuities.* (a) Except as hereafter provided, this account shall include pensions paid currently to retired employees and the ex-

penses incurred solely in connection therewith. It shall also include gratuities paid to the families or heirs of employees; amounts paid currently to insurance companies or to trustees to provide annuities for retired employees (see note); and premiums paid on insurance policies for employees where the carrier is not a beneficiary.

NOTE: The initial payments to insurance companies or to trustees for prior services of employees shall be charged to account 621, "Miscellaneous debits."

(B) A carrier may account for pensions on an accrual basis provided it has established a retirement plan whereby it definitely agrees to pay pensions to its retired employees. If the carrier elects to adopt the accrual plan, this account shall be charged and account 769 credited each month with amounts representing benefits currently accruing under the plan and borne by the carrier. Contributions by employees shall be credited direct to account 769. Pension payments shall be charged to account 769. Before adopting the accrual plan for pensions, the carrier shall inform the Commission of the details of its pension plan. No charges shall be made to this account in anticipation of discretionary pension payments in the future.

GENERAL BALANCE-SHEET ACCOUNTS

2. In § 10.718 *Accrued accounts receivable*, and § 10.766 *Accrued accounts payable*, insert a comma in the first sentence of the text of each account after the words "balance sheet" and add the words "including those" before the word "which."

[F. R. Doc. 47-9630; Filed, Oct. 28, 1947; 8:51 a. m.]

[49 CFR, Part 141]

MODIFICATION OF UNIFORM SYSTEM OF ACCOUNTS FOR ELECTRIC RAILWAYS, ISSUE OF 1947

NOTICE OF PROPOSED RULE MAKING

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 16th day of October A. D. 1947.

The matter of the "Uniform System of Accounts for Electric Railways, Issue of 1947," being under consideration by the division pursuant to the provisions of section 20 of the Interstate Commerce Act, as amended, and the following modifications being deemed necessary for administration of part I of the act (24 Stat. 386, 54 Stat. 917, 49 U. S. C. 20 (3)) *It is ordered, That:*

(1) Any interested party may on or before November 22, 1947, file with the Commission's Secretary a written statement of reasons why the said modifications should not become effective as hereinafter ordered and request oral argument thereon, which request will be granted if the reasons be substantial; and,

(2) Unless otherwise ordered after consideration of such objections, the said modifications shall become effective January 1, 1948; and,

(3) A copy of this order shall be served upon every carrier by railroad independently operated as an electric line subject to the Interstate Commerce Act and upon every trustee, receiver, executor, administrator, or assignee of any such carrier, and notice of this order shall be given to the general public by depositing a copy in the office of the Secretary at Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

By the Commission, Division 1.

[SEAL]

W P BARTEL,
Secretary.

MODIFICATIONS

GENERAL BALANCE-SHEET ACCOUNTS

1. Following § 14.410 *Miscellaneous accounts receivable*, insert the following account:

§ 14.410-1 *Accrued accounts receivable.* This account shall include estimates of unaudited current items receivable which are credited to operating revenue, operating expense, or income accounts in accordance with § 14.01-5 *Unaudited items affecting operating accounts*, and § 14.03-5 *Unaudited items*; also estimates of other unaudited items receivable of a current nature.

2. In § 14.420 *Other unadjusted debits*, eliminate the following words from the text: "items credited to operating revenues or operating expenses on an estimated basis in accordance with § 14.01-5 *Unaudited items affecting operating accounts*;"

3. Following § 14.432 *Miscellaneous accounts payable*, insert the following account:

§ 14.432-1, *Accrued accounts payable.* This account shall include estimates of unaudited current items payable (other than the liability for casualties) which are charged to operating revenue, operating expense, or income accounts in accordance with § 14.01-5 *Unaudited items affecting operating accounts*, and § 14.03-5 *Unaudited items*; also estimates of other unaudited items payable of a current nature.

NOTE: Estimated liability for injuries to persons and loss and damage claims shall be credited to account 441-1 *Operating reserves*.

4. In § 14.446 *Other unadjusted credits*, eliminate the following words from the text: "items charged to operating revenues or operating expenses on an estimated basis in accordance with § 14.01-5 *Unaudited items affecting operating accounts*;"

[F. R. Doc. 47-9631; Filed, Oct. 28, 1947; 8:51 a. m.]

[49 CFR, Part 440]

MODIFICATIONS OF UNIFORM SYSTEM OF ACCOUNTS FOR FREIGHT FORWARDERS, ISSUE OF 1943

NOTICE OF PROPOSED RULE MAKING

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 16th day of October A. D. 1947.

The matter of the "Uniform System of Accounts for Freight Forwarders, Issue of 1943," being under consideration by the division pursuant to the provisions of section 412 (a) of the Interstate Commerce Act, as amended, and the modifications which are attached hereto and made a part hereof being deemed necessary for administration of the provisions of part IV of the act (56 Stat. 294, 49 U. S. C. 1012) *It is ordered*, That:

(1) Any interested party may on or before November 22, 1947, file with the Commission's Secretary a written statement of reasons why the said modifications should not become effective as hereinafter ordered and request oral argument thereon, which request will be granted if the reasons be substantial; and,

(2) Unless otherwise ordered upon consideration of such objections, the said modifications shall become effective January 1, 1948; and,

(3) A copy of this order shall be served upon every freight forwarder subject to part IV of the act and upon every receiver, trustee, executor, administrator, and assignee of any such freight forwarder, and notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Com-

mission at Washington, D. C., and by filing it with the Director of the Division of the Federal Register.

By the Commission, Division 1.

[SEAL]

W. P. BARTEL,
Secretary.

MODIFICATIONS

GENERAL INSTRUCTIONS

1. In § 440.0-3 *Unaudited items*, cancel the first two sentences and substitute the following: "When the amount of a known revenue, expense, or income item cannot be accurately determined in time for inclusion in the accounts of the calendar year in which the transaction occurs, the amount shall be estimated and included in the appropriate accounts."

GENERAL BALANCE-SHEET INSTRUCTIONS

2. In § 440.0-23 *Form of general balance-sheet statement*, change the title of account 205 to read "Accrued accounts payable," and following it add account 209, "Other current liabilities."

GENERAL BALANCE-SHEET ACCOUNTS

3. In § 440.107 *Accrued accounts receivable*, insert the following as the third sentence of the text: "It shall also include estimates of unaudited current items re-

ceivable which are credited to operating revenue, operating expense, or income accounts in accordance with § 440.0-3 *Unaudited items*, and estimates of other unaudited items receivable of a current nature."

4. In item 4 of paragraph (a) under § 440.172 *Other deferred debits*, insert the words "of a noncurrent nature" between the words "Items" and "awaiting." Cancel item 5 of the same paragraph.

5. In § 440.205 *Other current liabilities*, change the number of the account to 203, and insert ahead of this section the following additional section:

§ 440.205 *Accrued accounts payable*. This account shall include estimates of unaudited current items payable (other than liability for casualties) which are charged to operating revenue, operating expense, or income accounts in accordance with § 440.0-3 *Unaudited items*; also estimates of other unaudited items payable of a current nature.

NOTE: Estimated liability for damages, losses, and injuries shall be credited to account 222, "Other reserves."

6. In paragraph (a) of § 440.231 *Other deferred credits*, cancel item 3.

[P. R. Doc. 47-6623; Filed, Oct. 23, 1947; 8:51 a. m.]

NOTICES

DEPARTMENT OF JUSTICE

Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616; E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 9961]

FRIED KRUPP AKTIENGESSELLSCHAFT

In re: Stock owned by Fried Krupp Aktiengesellschaft. F-28-8797-D-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Fried Krupp Aktiengesellschaft, the last known address of which is Essen, Germany, is a corporation, partnership, association or other business organization, organized under the laws of Germany, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Germany, and is a national of a designated enemy country (Germany),

2. That the property described as follows: One hundred (100) shares of no par value common capital stock of The Lambert Company, 9 Rockefeller Plaza, New York 20, New York, a corporation organized under the laws of the State of Delaware, evidenced by a certificate numbered XC23309, registered in the name of Cudd & Co., and presently in the custody of The Chase National Bank, 11 Broad Street, New York, N. Y., together with all declared and unpaid dividends thereon,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany),

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on October 7, 1947.

For the Attorney General.

[SEAL]

DAVID L. BAZELON,
Assistant Attorney General,
Director Office of Alien Property.

[P. R. Doc. 47-9653; Filed, Oct. 23, 1947; 8:48 a. m.]

[Vesting Order 9963]

ALFRED MEUEL

In re: Bonds owned by and debt owing to Alfred Meuel. F-28-24152-A-1.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Alfred Meuel, whose last known address is Dusseldorf-Grafenberg, Altenbergstr 54, Germany, is a resident of Germany and a national of a designated enemy country (Germany)

2. That the property described as follows:

a. One (1) Corona City Water Company, First Mortgage Sinking Fund 4% Bond, due September 15, 1958, of \$1,000.00 face value, bearing the number M-25, in bearer form, and presently in the custody of Citizens National Trust and Savings Bank of Riverside, Riverside, California, together with any and all rights thereunder and thereto,

b. Four (4) City of Long Beach Harbor Improvement 4½% Bonds, due June 1, 1956, each of \$1000.00 face value, bearing the numbers 1868, 1869, 1870 and 1871, in bearer form, and presently in the custody of Citizens National Trust and Savings Bank of Riverside, Riverside, California, together with any and all rights thereunder and thereto,

c. Two (2) United States Treasury 2½% Coupon Bonds, due December 15, 1950/65, each of \$1,000 face value, bearing the numbers 796030 and 81147H, in bearer form, and presently in the custody of Citizens National Trust and Savings Bank of Riverside, Riverside, Cali-

fornia, together with any and all rights thereunder and thereto,

d. Ten (10) United States Treasury Bonds, Series G, each of the face value set forth below, bearing the numbers and due on the date set forth opposite thereto:

Face value	Number of bond	Date due
\$1,000	M532678G	6/1/54
\$1,000	M371872AG	6/1/47
\$1,000	M3718725G	6/1/47
\$1,000	M2156863G	1/1/56
\$1,000	M157568G	8/1/53
\$1,000	M157569G	8/1/53
\$1,000	M157570G	8/1/53
\$1,000	M157571G	8/1/53
\$500	D47852G	8/1/53
\$100	C105031G	8/1/53

said bonds, registered in the name, of Citizens National Trust and Savings Bank of Riverside, Trustee for Alfred Meuel, under agreement dated March 23, 1937, and presently in the custody of Citizens National Trust and Savings Bank of Riverside, Riverside, California, together with any and all rights thereunder and thereto, and

e. That certain debt or other obligation owing to Alfred Meuel, by Citizens National Trust and Savings Bank of Riverside, Riverside, California, in the amount of \$1,533.98, as of August 19, 1947, together with any and all accruals thereto, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, Alfred Meuel, the aforesaid national of a designated enemy country (Germany),

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on October 7, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47-9654; Filed, Oct. 28, 1947; 8:48 a. m.]

[Vesting Order 9868]

PAUL BACHERT

In re: Estate of Paul Bachert, deceased. File D-28-11772; E. T. sec. 15983.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Hans Heger, Paul Bachert, Maria Brigitta Bachert (sometimes written Maria Brigitta Ursuline) Maria Mueller, Willi Bachert, Babette Heger, Louise Liederer and Pauline Badersbach, whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany)

2. That the issue, names unknown, of Hans Heger, issue, names unknown, of Paul Bachert, issue, names unknown, of Maria Brigitta Bachert (sometimes written Maria Brigitta Ursuline) issue, names unknown, of Maria Mueller, issue, names unknown, of Willi Bachert, issue, names unknown, of Babette Heger, issue, names unknown, of Louise Liederer and issue, names unknown, of Pauline Badersbach, who there is reasonable cause to believe are residents of Germany, are nationals of a designated enemy country (Germany)

3. That all right, title, interest and claim of any kind or character whatsoever of the persons identified in subparagraphs 1 and 2 hereof in and to the Estate of Paul Bachert, deceased, is property payable or deliverable to, or claimed by, the aforesaid nationals of a designated enemy country (Germany)

4. That such property is in the process of administration by Martha Winter, as Administratrix with the Will Annexed, acting under the judicial supervision of the Superior Court of the State of California, in and for the County of Los Angeles;

and it is hereby determined:

5. That to the extent that the persons named in subparagraph 1 hereof and the issue, names unknown, of Hans Heger, issue, names unknown, of Paul Bachert, issue, names unknown, of Maria Brigitta Bachert, (sometimes written Maria Brigitta Ursuline) issue, names unknown, of Maria Mueller, issue, names unknown, of Willi Bachert, issue, names unknown, of Babette Heger, issue, names unknown, of Louise Liederer and issue, names unknown, of Pauline Badersbach are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have

the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on September 24, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47-9655; Filed, Oct. 28, 1947; 8:48 a. m.]

[Vesting Order 9873]

HENRY AND PAULINE FRECH

In re: T/D Henry Frech and Pauline Frech. File D-66-425; E. T. sec. 2899.

Under the authority of the Trading with the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Marie Schwenck, Lulse Hanss, Karl Hickel, Adam Hauert, Friedrich Hauert, Marie Krafft, Hermann Hauert, Eugen Hauert, Theodor Hauert, Daniel Hauert, Paul Hauert, Heinrich Hickel, Fritz Hickel, Katharina Zimmer, Philipp Weltz, Anna Maria Lutz, Katharine Jetter, Elizabeth Muller and Fritz Hickel whose last known address is Germany, are residents of Germany and nationals of a designated enemy country (Germany)

2. That all right, title, interest and claim of any kind or character whatsoever of the persons identified in subparagraph 1 hereof, and each of them, in and to the trust under deed of Henry Frech and Pauline Frech, deceased, is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany),

and it is hereby determined:

3. That to the extent that the above-named persons are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany)

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on September 24, 1947.

For the Attorney General.

[SEAL] DAVID L. BAZELON,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 47-9656; Filed, Oct. 28, 1947; 8:48 a. m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

ALASKA

AIR-NAVIGATION SITE WITHDRAWAL NO. 242

By virtue of the authority contained in section 4 of the act of May 24, 1928, 45 Stat. 729 (U. S. C. title 49, sec. 214), it is ordered as follows:

Subject to valid existing rights, the tract of public land near Igugig on the south bank of the Kvichak River, Alaska, described below by metes and bounds, is hereby withdrawn from all forms of appropriation under the public-land laws, and reserved for the use of the Civil Aeronautics Administration, Department of Commerce, in the maintenance of air-navigation facilities, the reservation to be known as Air-Navigation Site withdrawal No. 242:

Beginning at a point marked by a one-inch iron pipe on the south bank of the Kvichak River, approximately 25 feet above water level and approximately 2,300 feet downstream from the outlet of Ilamna Lake, approximate latitude 59°19' N., longitude 155°56' W., thence by metes and bounds,

South 301 feet; N. 82° E. 4,000 feet; South 2,000 feet; West 6,000 feet; North 1,550 feet to a point on the south bank of the Kvichak River;

Easterly 2,170 feet along the meanders of Kvichak River to a point 45 feet north of the point of beginning;

South 45 feet to the point of beginning. The tract as described contains approximately 243 acres.

It is intended that the public land described herein shall be returned to the administration of the Department of the Interior when it is no longer needed for the purpose for which it is reserved.

C. GIRARD DAVIDSON,

Assistant Secretary of the Interior.

OCTOBER 22, 1947.

[F. R. Doc. 47-9618; Filed, Oct. 28, 1947; 8:48 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. SA-152]

ACCIDENT ALONGSIDE COAST GUARD WEATHER SHIP "BIBB" IN NORTH ATLANTIC

NOTICE OF HEARING

In the matter of investigation of accident involving aircraft of United States Registry NC 18612 which occurred 53 degrees North, 35 degrees West, alongside Coast Guard Weather Ship "Bibb" in North Atlantic, on October 14, 1947.

Notice is hereby given, pursuant to the Civil Aeronautics Act of 1938, as amended, particularly section 702 of said act, in the above-entitled proceeding that hearing is hereby assigned to be held on Friday, November 7, 1947, at 9:00 a. m. (e. s. t.) in the Empire Room, Lexington Hotel, New York, New York.

Dated at Washington, D. C., October 21, 1947.

[SEAL]

ROBERT W. CHRISP,
Presiding Officer.

[F. R. Doc. 47-9623; Filed, Oct. 28, 1947; 8:49 a. m.]

No. 212—6

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 7604, 8542]

BEEVILLE BROADCASTING CO. AND BEE BROADCASTING CO.

ORDER DESIGNATING APPLICATIONS FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Norman B. Lassetter, Neal H. Brown, and Dr. Roger E. Lassetter, d/b as Beeville Broadcasting Company, Beeville, Texas, Docket No. 8542, File No. BP-6317; V. L. Rossi and John D. Rossi d/b as Bee Broadcasting Company, Beeville, Texas, Docket No. 7604, File No. BP-4639; for construction permits.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 16th day of October 1947;

The Commission having under consideration the above-entitled applications of Bee Broadcasting Company and Beeville Broadcasting Company each requesting construction permit for a new standard broadcast station to operate on 1490 kc, 250 w power, unlimited time, at Beeville, Texas;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said applications be, and they are hereby, designated for hearing in a consolidated proceeding, to be held at Beeville, Texas, on November 10, 1947, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant partnerships and the partners to construct and operate the proposed stations.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed stations and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program services proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed stations would involve objectionable interference with Station KNOW, Austin, Texas, or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed stations would involve objectionable interference with the services proposed in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed stations would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if either, of the applications in

this consolidated proceeding should be granted.

It is further ordered, That Frontier Broadcasting Company, Inc., licensee of station KINOW, Austin, Texas, be, and it is hereby, made a party to this proceeding.

By the Commission.

[SEAL]

T. J. SLOWIE,
Secretary.

[F. R. Doc. 47-9649; Filed, Oct. 28, 1947; 8:47 a. m.]

[Docket Nos. 7830, 8353, 8339]

FRANK M. HELM ET AL.

ORDER DESIGNATING APPLICATIONS FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Frank M. Helm, Modesto, California, Docket No. 7830, File No. BP-5184; Albert Alvin Amada, Sacramento, California, Docket No. 8339, File No. BP-5494; Radio Modesto, Inc., Modesto, California, Docket No. 8353, File No. BP-5885; for construction permits.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 16th day of October 1947;

The Commission having under consideration the above-entitled application of Radio Modesto, Inc., for construction permit for a new standard broadcast station to operate on 1360 kc, 1 kw, using a directional antenna, unlimited time, at Modesto, California; and

It appearing, that the Commission, on April 30, 1947, designated the above application of Radio Modesto, Inc., for hearing in a consolidated proceeding with the application of Merced Broadcasting Company (KYOS) but that on August 15, 1947 the said application of Merced Broadcasting Company (KYOS) was amended and removed from the hearing docket; and that the hearing on said application of Radio Modesto, Inc., is now scheduled to be held on April 15, 1948 at the offices of the Commission, Washington, D. C., and

It further appearing, that the Commission, on April 30, 1947, designated for hearing in a consolidated proceeding the above applications of Frank M. Helm and Albert Alvin Amada, requesting construction permits for new standard broadcast stations to operate on 1390 kc, 1 kw, using a directional antenna, unlimited time, at Modesto, California and Sacramento, California, respectively; that the above applications of Frank M. Helm and Radio Modesto, Inc., are mutually exclusive; and that the consolidated hearing on the above applications of Frank M. Helm and Albert Alvin Amada is now scheduled to be held on January 12, 1948 at the offices of the Commission, Washington, D. C.,

It is ordered, That the above-entitled application of Radio Modesto, Inc., be, and it is hereby, consolidated for hearing in the said proceeding involving the applications of Frank M. Helm and Albert Alvin Amada, to be held on January 12, 1948, at the office of the Commission, Washington, D. C., upon the issues heretofore published on April 30, 1947;

It is further ordered, That the hearing date of April 15, 1948, heretofore scheduled for the application of Radio Modesto, Inc., be, and it is hereby, cancelled.

By the Commission.

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 47-9644; Filed, Oct. 28, 1947;
8:46 a. m.]

[Docket No. 8178]

STEEL CITY BROADCASTING CO.

ORDER DESIGNATING APPLICATION FOR HEARING ON STATED ISSUES

In re application of George M. Whitney, Caroline L. Whitney, and Fredrick K. Feyling, a partnership d/b as Steel City Broadcasting Company, Gary, Indiana, Docket No. 8178, File No. BP-5681, for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 16th day of October 1947:

The Commission having under consideration the above-entitled application of Steel City Broadcasting Company for construction permit for a new standard broadcast station to operate on 1370 kc, 1 kw, daytime only, at Gary, Indiana;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant partnership and the partners to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with station WGES, Chicago, Illinois, or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in any pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of

Good Engineering Practice Concerning Standard Broadcast Stations.

It is further ordered, That, Gene T. Dyer, Vivian I. Christoph, Gene T. Dyer, Jr., F. M. Ringwald, Louis E. Moulds, Grace V. McNeill and William F. Moss, d/b as Radio Station WGES, licensee of Station WGES, Chicago, Illinois, be, and they are hereby, made a party to this proceeding.

By the Commission.

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 47-9645; Filed, Oct. 28, 1947;
8:46 a. m.]

[Docket Nos. 8213-8216, 8537]

WASHTENAW BROADCASTING CO., INC., ET AL.

ORDER DESIGNATING APPLICATIONS FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Washtenaw Broadcasting Company, Inc., Lansing, Michigan, Docket No. 8213, File No. BP-5609; T-C Broadcasting Corporation, Lansing, Michigan, Docket No. 8214, File No. BP-5832; Irwin C. Stoll, Lansing, Michigan, Docket No. 8215, File No. BP-5870; Michigan Music Network, Inc., Jackson, Michigan, Docket No. 8216, File No. BP-5878; Motor State Broadcasting Company, Ypsilanti, Michigan, Docket No. 8537, File No. BP-6253; for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 16th day of October 1947:

The Commission having under consideration the above-entitled application of Motor State Broadcasting Company requesting a construction permit for a new standard broadcast station to operate on 1240 kc, 250 w power, unlimited time, at Ypsilanti, Michigan;

It appearing, that, the Commission on March 12, 1947, designated for hearing in a consolidated proceeding the above applications of Washtenaw Broadcasting Company, Inc., T-C Broadcasting Corporation and Irwin C. Stoll, each requesting construction permits for a new standard broadcast station to operate on 1240 kc, 250 w, unlimited time, at Lansing, Michigan, and of Michigan Music Network, Inc., requesting a construction permit for a new standard broadcast station to operate on 1240 kc, 250 w power, unlimited time, at Jackson, Michigan, said hearing having been scheduled for December 1-4, 1947, at Lansing, Jackson, Michigan;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application of Motor State Broadcasting Company be, and it is hereby, designated for hearing in the above consolidated proceeding at Ypsilanti, Michigan, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant corporation, its officers, directors and stockholders to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character

of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and standards of good engineering practice concerning standard broadcast stations.

7. To determine on a comparative basis which, if any, of the applications in this consolidated proceeding should be granted.

It is further ordered, That, the Commission's Order of March 12, 1947 (as amended by its order of September 5, 1947, removing the application of Lansing Broadcasting Company, (WLS) from the hearing docket) designating the applications of Washtenaw Broadcasting Co., Inc., T-C Broadcasting Corp., Irwin C. Stoll and Michigan Music Network, Inc., for hearing in a consolidated proceeding, be, and it is hereby amended, to include the application of Motor State Broadcasting Company.

By the Commission.

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 47-9648; Filed, Oct. 28, 1947;
8:47 a. m.]

[Docket Nos. 8259, 8260, 8544]

WILLIAMSON BROADCASTING CORP. ET AL.

ORDER DESIGNATING APPLICATIONS FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Williamson Broadcasting Corporation, Pikeville, Kentucky, Docket No. 8259, File No. BP-5502; Cumberland Publishing Company, Pikeville, Kentucky, Docket No. 8260, File No. BP-5904; John T. H. Scott, Oscar W. Thompson and W. Frank Scott, a partnership d/b as East Kentucky Broadcasting Company, Pikeville, Kentucky, Docket No. 8544, File No. BP-6331, for construction permits.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 16th day of October 1947:

The Commission having under consideration the above-entitled application of East Kentucky Broadcasting Company for construction permit for a new standard broadcast station to oper-

ate on 1240 kc, 250 w, unlimited time, at Pikeville, Kentucky.

It appearing, That the Commission on March 20, 1947, designated for hearing in a consolidated proceeding the applications of Williamson Broadcasting Corporation and Cumberland Publishing Company, each requesting construction permit for a new standard broadcast station to operate on 1240 kc, 250 w power, unlimited time, at Pikeville, Kentucky, and that the said hearing is scheduled for November 19, 1947, at Pikeville, Kentucky.

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application of East Kentucky Broadcasting Company be, and it is hereby, designated for hearing in the above consolidated proceeding upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant partnership and the partners to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in any other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine on a comparative basis which, if any, of the applications in this consolidated proceeding should be granted.

It is further ordered, That, the Commission's order of March 20, 1947 designating the applications of Williamson Broadcasting Corporation and Cumberland Publishing Company for hearing in a consolidated proceeding be, and it is hereby amended to include the application of John T. H. Scott, Oscar W. Thompson and W. Frank Scott, a partnership d/b as East Kentucky Broadcasting Company.

By the Commission.

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 47-9646; Filed, Oct. 28, 1947; 8:46 a. m.]

[Docket No. 8532, 8533]

MARMAT RADIO CO. AND J. E. RODMAN
(KERO)

ORDER DESIGNATING APPLICATIONS FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of James L. Mattly and Guy Marchetti, a partnership d/b as Marmat Radio Company, Bakersfield, California, Docket No. 8532, File No. BP-6184; J. E. Rodman (KERO), Bakersfield, California, Docket No. 8533, File No. BP-6335; for construction permits.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 16th day of October 1947;

The Commission having under consideration the above-entitled applications of Marmat Radio Company, requesting a permit to construct a new standard broadcast station to operate on 960 kc, with 1 kw power, daytime only, in Bakersfield, California, and of J. E. Rodman, requesting a construction permit to change the frequency of Station KERO in Bakersfield, California, from 1230 kc to 970 kc, to raise power from 250 w to 5 kw, unlimited time, to change transmitter location, and to install a new transmitter and directional antenna for night use; and the Commission also having under consideration a petition by J. E. Rodman, requesting that the Commission either consider that his above-entitled application is not, within the meaning of § 1.362 of the Commission's rules and regulations, inconsistent or in conflict with any other pending applications of said Rodman, or waive the provisions of said § 1.362 with respect to the above-entitled application; and

It appearing, That the above-entitled application of J. E. Rodman has been accepted for filing, and that said application is not, within the meaning of § 1.362 of the Commission's rules and regulations, inconsistent or in conflict with any pending and undecided applications of said applicant; and

It further appearing, That the above-entitled applications of Marmat Radio Company and J. E. Rodman are mutually exclusive;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said applications of Marmat Radio Company and J. E. Rodman, be, and they are hereby, designated for hearing in a consolidated proceeding, at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of Marmat Radio Company and the partners to construct and operate its proposed station, and the technical, financial and other qualifications of J. E. Rodman to construct and operate Station KERO as proposed.

2. To determine the areas and populations which may be expected to gain or lose primary service from the proposed operations and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of the program services proposed to be rendered by the applicants and

whether they, or either of them, would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the proposed operations, or either of them, would involve objectionable interference with any existing broadcast stations, or with the services proposed in any other pending applications for broadcast facilities, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the installations and operations proposed by the applicants would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations;

6. To determine, on a comparative basis, which, if either, of the applications in this consolidated proceeding should be granted.

It is further ordered, That in view of the above, the petition of J. E. Rodman be, and it is hereby, dismissed as moot.

By the Commission.

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 47-9651; Filed, Oct. 23, 1947; 8:47 a. m.]

[Docket No. 8534]

KTRM, Inc.

ORDER DESIGNATING APPLICATION FOR HEARING ON STATED ISSUES

In re application of KTRM, Incorporated (KTRM) Beaumont, Texas, Docket No. 8534, File No. BML-1269; for modification of license.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 16th day of October 1947;

The Commission having under consideration the above-entitled application of KTRM, Incorporated, requesting modification of its license so as to change hours of operation from daytime only to unlimited;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby designated for hearing, at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the technical and other qualifications of the applicant corporation, its officers, directors and stockholders, to construct and operate Station KTRM as proposed.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of Station KTRM as proposed and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of Station KTRM as proposed would involve objectionable interference with

any existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of Station KTRM as proposed would involve objectionable interference with Stations CBW Winnipeg, Manitoba, Canada and XET, Monterrey, Mexico, or any other existing foreign broadcast station, as defined in the North American Regional Broadcasting Agreement, and the nature and extent of such interference, if any, and to determine whether the proposed operation would deliver an excessive signal on the Canadian border contrary to the provisions of that agreement and § 3.25 (c) of the Commission's rules and regulations.

6. To determine whether the operation of Station KTRM as proposed would involve objectionable interference with the services proposed in any pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

7. To determine whether the installation and operation of Station KTRM as proposed would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

By the Commission.

[SEAL], T. J. SLOWIE,
Secretary.

[F. R. Doc. 47-9650; Filed, Oct. 28, 1947;
8:47 a. m.]

[Docket No. 8535]

CONROE BROADCASTING CO.

ORDER DESIGNATING APPLICATION FOR
HEARING ON STATED ISSUES

In re application of Arthur L. Madeley tr/as Conroe Broadcasting Company, Conroe, Texas, Docket No. 8535, File No. BP-5815; for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 16th day of October 1947;

The Commission having under consideration the above-entitled application requesting a construction permit for a new standard broadcast station to operate on 1450 kc, with 100 w power, unlimited time, at Conroe, Texas;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application be, and it is hereby, designated for hearing at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with stations KRIC, Beaumont, Texas, KCOH, Houston, Texas, KCTI, Gonzales, Texas, or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in other pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

It is further ordered, That KRIC, Inc., licensee of station KRIC, Beaumont, Texas, Lee Segall Broadcasting Co., licensee of station KCOH, Houston, Texas, and Lawrence W. Walshak and Frank Wilson, Jr., d/b as Gonzales Broadcasting Company, permittee of station KCTI, Gonzales, Texas, be, and they are hereby, made parties to this proceeding.

By the Commission.

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 47-9652; Filed, Oct. 28, 1947;
8:47 a. m.]

[Docket No. 8543]

CHARLES L. CAIN

ORDER DESIGNATING APPLICATION FOR
HEARING ON STATED ISSUES

In re application of Charles L. Cain, Grand Prairie, Texas, Docket No. 8543, File No. BP-6136; for construction permit.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 16th day of October 1947;

The Commission having under consideration the above-entitled application for construction permit for a new standard broadcast station to operate on 1390 kc, 1 kw, daytime only, at Grand Prairie, Texas, together with a petition of Truatt Kimsey, licensee of Station KGV, Greenville, Texas, requesting that the above application be designated for hearing and that he be made a party to such hearing on the ground that a grant of the above application would cause objectionable interference to the area now served by Station KGV,

Now, therefore, *It is ordered*, That the petition of Truatt Kimsey be, and it is hereby, granted;

It is further ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application of Charles L. Cain be, and it is hereby, designated for hearing at a time and place to be designated by subsequent order of the Commission, upon the following issues:

1. To determine the legal, technical, financial, and other qualifications of the applicant to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain primary service from the operation of the proposed station and the character of other broadcast service available to those areas and populations.

3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.

4. To determine whether the operation of the proposed station would involve objectionable interference with station KGV, Greenville, Texas, or with any other existing broadcast stations and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

5. To determine whether the operation of the proposed station would involve objectionable interference with the services proposed in any pending applications for broadcast facilities and, if so, the nature and extent thereof, the areas and populations affected thereby and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

It is further ordered, That, Truatt Kimsey, licensee of Station KGV, Greenville, Texas, be and he is hereby, made a party to this proceeding.

By the Commission.

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 47-9647; Filed, Oct. 28, 1947;
8:47 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G-061]

CENTRAL KENTUCKY NATURAL GAS CO.

NOTICE OF APPLICATION

OCTOBER 23, 1947.

Notice is hereby given that on October 13, 1947, an application was filed with Federal Power Commission by Central Kentucky Natural Gas Company (Applicant) a Kentucky corporation with its principal place of business in Charleston, West Virginia, for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing the acquisition by lease from Petroleum Exploration, a Maine corporation, and the operation of

the following described facilities until October 1, 1948.

An 8-inch pipe line extending from a point near Richmond, Kentucky, to a point near Lexington, Kentucky, a distance of approximately 25 miles; also a 4-inch lateral pipe line extending approximately 7 miles from the 8-inch line to the city of Richmond, Kentucky, together with all appurtenant equipment.

Applicant states that by operation of the leased portion of the facilities described it intends to augment its supply of natural gas to more nearly meet the estimated peak day demands of its customers in the Lexington area during the coming winter season. An interconnection between the facilities to be leased and the transmission line of Tennessee Gas Transmission Company has been arranged to take gas therefrom to be mixed with the present supply being purchased from the lessor, Petroleum Exploration. Applicant will continue to receive the contract quantities of gas to be purchased from Petroleum Exploration for transportation to Lexington and other points.

Applicant further states that its purchases of gas to be taken from the Tennessee Gas Transmission Company's interconnection are to be made from the United Fuel Gas Company.

The estimated total annual expense to the Applicant for the lease and the operation of the facilities leased is \$5,500.

Any interested State Commission is requested to notify the Federal Power Commission whether the application should be considered under the cooperative provisions of Rule 37 of the Commission's rules of practice and procedure (18 CFR 1.37) and, if so, to advise the Federal Power Commission as to the nature of its interest in the matter and whether it desires a conference, the creation of a board, or a joint or concurrent hearing, together with reasons for such request.

The application of Central Kentucky Natural Gas Company is on file with the Commission and is open to public inspection. Any person desiring to be heard or to make any protest with reference to the application shall file with the Federal Power Commission, Washington 25, D. C., not later than 15 days from the date of publication of this notice in the FEDERAL REGISTER, a petition to intervene or protest. Such petition or protest shall conform to the requirements of Rule 8 or 10, whichever is applicable, of the rules of practice and procedure (as amended on June 16, 1947) (18 CFR 1.8 or 1.10).

[SEAL]

LEON M. FUQUAY,
Secretary.

[F. R. Doc. 47-9616; Filed, Oct. 28, 1947;
8:48 a. m.]

INTERSTATE COMMERCE COMMISSION

[S. O. 396, Special Permit 323]

RECONSIGNMENT OF POTATOES AT KANSAS CITY, MO.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008), permission is granted for

any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Kansas City, October 13, 1947, by W. W. and W. T. Newcomb, of SFRD 35220, potatoes, now on the Union Pacific to A. M. Macca, St. Louis, Mo. (MOP)

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 17th day of October 1947.

HOMER C. KING,
Director
Bureau of Service.

[F. R. Doc. 47-9632; Filed, Oct. 23, 1947;
8:51 a. m.]

[S. O. 396, Special Permit 324]

RECONSIGNMENT OF POTATOES AT KANSAS CITY, MO.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008) permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Kansas City, Mo., October 13, 1947, by W. W. and W. T. Newcomb, of car URTX 10543, potatoes, now on the Union Pacific to A. M. Macca, St. Louis, Mo. (MOP)

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 17th day of October 1947.

HOMER C. KING,
Director
Bureau of Service.

[F. R. Doc. 47-9633; Filed, Oct. 23, 1947;
8:51 a. m.]

[S. O. 396, Special Permit 325]

RECONSIGNMENT OF POTATOES AT ST. LOUIS, MO.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396

(10 F. R. 15003) permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at St. Louis, Mo., October 13, 1947, by Kroger Co., of car PFE 62932, potatoes, now on the Washash to Kroger Co., Terre Haute, Ind. (PRR)

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 17th day of October 1947.

HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 47-9634; Filed, Oct. 23, 1947;
8:51 a. m.]

[S. O. 396, Special Permit 325]

RECONSIGNMENT OF POTATOES AT CHICAGO, ILL.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15003) permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Chicago, Ill., October 14, 1947, by National Produce Co., of car PFE 42835, potatoes, now on the GNW to Liberty Cash Grocery Co., Memphis, Tenn. (IC).

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 17th day of October 1947.

HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 47-9635; Filed, Oct. 23, 1947;
8:53 a. m.]

[S. O. 396, Special Permit 327]

RECONSIGNMENT OF POTATOES AT KANSAS CITY, MO.

Pursuant to the authority vested in me by paragraph (f) of the first ordering

paragraph of Service Order No. 396 (10 F. R. 15008), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Kansas City, Mo., October 16, 1947, by Cochran Brokerage Co., of car NP 92182, potatoes, now on the CB&Q to Milford L. Miller, Joplin, Mo. (MP)

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 20th day of October 1947.

HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 47-9636; Filed, Oct. 28, 1947;
8:52 a. m.]

[S. O. 396, Special Permit 328]

RECONSIGNMENT OF GRAPES AT CHICAGO, ILL.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008) permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Chicago, Ill., October 16, 1947, by Child's Cuttane & Bros., of car PFE 61449, grapes, now on the Santa Fe to Childs Mondello, Detroit, Mich. (MC)

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 21st day of October 1947.

HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 47-9637; Filed, Oct. 28, 1947;
8:52 a. m.]

[S. O. 396, Special Permit 329]

RECONSIGNMENT OF TOMATOES AT PHILADELPHIA, PA.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008) permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Philadelphia, Pa., October 20, 1947, by Justman Frankenthal, of car PFE 51874, tomatoes, now on the PRR to New York City (PRR) -

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 21st day of October 1947.

HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 47-9638; Filed, Oct. 28, 1947;
8:52 a. m.]

[S. O. 396, Special Permit 330]

RECONSIGNMENT OF APPLES AT MINNEAPOLIS, MINN.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Minneapolis, Minn., October 19, 1947, by Majonnier & Sons, of car WFE 62585, apples, now on the Great Northern, to Chicago, Ill. (CBQ)

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 21st day of October, 1947.

HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 47-9639; Filed, Oct. 28, 1947;
8:52 a. m.]

[S. O. 396, Special Permit 331]

RECONSIGNMENT OF APPLES AT KANSAS CITY, MO.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Kansas City, Mo., October 19, 1947, by Majonnier & Sons, of car MDT 146243, apples, now on the RI to Majonnier & Sons, St. Louis, Mo. (Wab)

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division; as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 21st day of October 1947.

HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 47-9640; Filed, Oct. 28, 1947;
8:52 a. m.]

[S. O. 396, Special Permit 332]

RECONSIGNMENT OF APPLES AT CHICAGO, ILL.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008), permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Chicago, Ill., October 19, 1947, by Butler Crating Co., of car FGE 11533, apples, now on the Chicago Produce Terminal to G. Fava Fruit Co., Baltimore, Md. (B&O)

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 22d day of October 1947,

HOMER C. KING,
Director,
Bureau of Service.

[F. R. Doc. 47-9641; Filed, Oct. 28, 1947;
8:52 a. m.]

[S. O. 396, Special Permit 333]

RECONSIGNMENT OF TOMATOES AT
CHICAGO, ILL.

Pursuant to the authority vested in me by paragraph (f) of the first ordering paragraph of Service Order No. 396 (10 F. R. 15008) permission is granted for any common carrier by railroad subject to the Interstate Commerce Act:

To disregard entirely the provisions of Service Order No. 396 insofar as it applies to the reconsignment at Chicago, Ill., October 19, 1947, by Justman Frankenthal Co., of car PFE 34452, tomatoes, now on the Chicago Produce Terminal to Justman Frankenthal Co., New York, (PRR.)

The waybill shall show reference to this special permit.

A copy of this special permit has been served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and notice of this permit shall be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 22d day of October, 1947.

HOMER C. KING,
Director
Bureau of Service.

[F. R. Doc. 47-9642; Filed, Oct. 28, 1947;
8:52 a. m.]

SECURITIES AND EXCHANGE
COMMISSION

[File No. 7-1010]

GREYHOUND CORP.

NOTICE OF APPLICATION FOR UNLISTED
TRADING PRIVILEGES, AND OF OPPORTU-
NITY FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 22d day of October A. D. 1947.

The Los Angeles Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F-1 thereunder, has made application for unlisted trading privileges in the Common Stock, No Par Value, of The Greyhound Corporation, a security listed and registered on the New York Stock Exchange and San Francisco Stock Exchange.

Rule X-12F-1 provides that the applicant shall furnish a copy of the application to the issuer and to every exchange on which the security is listed or already admitted to unlisted trading privileges. The application is available for public inspection at the Commission's principal office in Philadelphia, Pennsylvania.

Notice is hereby given that, upon request of any interested person received prior to November 24, 1947, the Commission will set this matter down for hearing. In addition, any interested person

may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Philadelphia, Pennsylvania. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application, and other information contained in the official file of the Commission pertaining to this matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 47-9619; Filed, Oct. 28, 1947;
8:48 a. m.]

[File No. 54-81]

MIDDLE WEST CORP. ET AL.

NOTICE OF FILING AND ORDER FOR HEARING
ON APPLICATION TO PAY FEES AND EXPENSES

At a regular session of the Securities and Exchange Commission held at its office in the City of Philadelphia, Pa., on the 22d day of October A. D. 1947.

In the matter of the Middle West Corporation, Central and South West Utilities Company, and American Public Service Company, File No. 54-81.

The Commission having, by order dated April 30, 1946, approved a Plan filed pursuant to section 11 (e) of the Public Utility Holding Company Act of 1935 relating to the merger and reorganization of American Public Service Company and Central and South West Utilities Company, both registered holding company subsidiaries of The Middle West Corporation ("Middle West") also a registered holding company, the surviving corporation being known as Central and South West Corporation ("Central") also a registered holding company, and having reserved jurisdiction in said order as to the reasonableness and appropriate allocation of all fees and expenses and other remunerations incurred and to be incurred in connection with the Plan and the transactions incident thereto; and

The following persons having filed applications for allowance of fees and expenses incurred in connection with said Plan as set forth below:

	Fees	Expenses
Winthrop, Stimson, Putnam & Roberts.....	\$123,000	\$5,000.70
McLaughlin & Stern.....	175,000	11,422.15
Benjamin Mahler.....	35,000	-----
Jesse J. Holland.....	5,000	603.45
John D. Butt.....	7,000	-----
Lester J. Dickinson.....	5,000	374.15

Central having filed a supplemental application requesting release of jurisdiction with respect to the payment of fees and expenses of Richards, Layton & Finger for legal services rendered in the amount of \$2,500 and \$15.62 for expenses incurred in connection with the Plan; and

Middle West having filed a supplemental application requesting the release of jurisdiction with respect to payment of fees and expenses to the firm of Swiren, Heineman & Antonow in the amount of \$8,500 for legal services rendered and \$1,443.28 for expenses incurred on behalf of Middle West in connection with the said Plan.

It appearing to the Commission that it is appropriate in the public interest and in the interest of investors and consumers that a hearing be held with respect to the said applications:

It is hereby ordered, That the record in the proceedings on the said Plan be reopened and that the hearings be reconvened on November 6, 1947 at 10 a. m., e. s. t., for the purpose of considering said applications for allowance of fees and expenses as set forth above, such hearing to be held at the offices of the Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania. On such date the hearing room clerk in Room 318 will advise as to the room in which such hearing will be held. Any person desiring to be heard or otherwise wishing to participate in this proceeding shall file with the Secretary of this Commission on or before November 5, 1947, a written request relative thereto as provided by Rule XVII of the Commission's rules of practice.

It is further ordered, That Robert P. Reeder, or any other officer or officers of this Commission designated by it for that purpose, shall preside at such hearing. The officer so designated to preside at such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of the act and to a hearing officer under the Commission's rules of practice.

The Public Utilities Division having advised the Commission that it has made a preliminary examination of the applications and that upon the basis thereof the following matters and questions are presented for consideration without prejudice to its specifying additional matters and questions upon further examination:

Whether the fees and expenses requested by Winthrop, Stimson, Putnam & Roberts, McLaughlin & Stern, Benjamin Mahler, Jesse J. Holland, John D. Butt, Lester J. Dickinson, and those proposed to be paid to Richards, Layton & Finger and Swiren, Heineman & Antonow by Central and Middle West, respectively, in connection with the Plan are for necessary services, are reasonable in amount, and have been appropriately allocated between Central and Middle West.

It is ordered, That particular attention be directed at said hearing to the foregoing matters and questions.

It is further ordered, That any person desiring to assert any additional claim for compensation or reimbursement of expenses in connection with proceedings herein shall on or before November 5, 1947 file such claim or a notification of intention to assert such claim, and, further, in the event other claims are filed during the course of said proceedings no notice of such filing will be given unless

NOTICES

specifically ordered by the Commission. Any person desiring to receive further notice of filing such additional claims should file an appearance in these proceedings or otherwise specifically request such notice.

It is further ordered, That the Secretary of the Commission shall serve notice

of the aforesaid hearing by mailing a copy of this Notice and Order by registered mail to The Middle West Corporation, Central and South West Corporation, to all persons who have heretofore applied for or who have been granted participation in the proceedings, and to

all other persons by publication of this notice and order in the FEDERAL REGISTER.

By the Commission.

[SEAL]

ORVAL L. DuBois,
Secretary.

[F. R. Doc. 47-9620; Filed, Oct. 28, 1947;
8:48 a. m.]